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Latin America

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Mexican Secretary Attends Morocco GATT Meeting

PA1604202694 Mexico City XEW Television Network in Spanish 0430 GMT 13 Apr 94

[From the "24 Hours" newscast]

[Text] Commerce ministers from 125 countries started a four-day meeting in Marrakech, Morocco, which will close with the signing of the GATT. This document is over 20,000 pages long and considered the most important commercial agreement in history. Commerce Secretary Jaime Serra Puche is representing Mexico.

Moroccan Crown Prince Sidi Mohamed delivered a welcoming speech to open the meeting, which will conclude Friday with the signing of the final draft of the GATT. The crown prince arrived at 1000 sharp, representing his father, Hassan II. More than 120 representatives of GATT member countries arrived simultaneously at the Marrakech Convention Center to participate in the final meetings. The Mexican delegation was among them.

Speaking shortly before the plenum, Jaime Serra Puche, Mexico's secretary of commerce and industrial development, stressed important aspects of our times. He said that reciprocal commercial opening and greater competition among production plants [plantas] will prompt us to increase the scales of production and to redistribute revenue margins. This is how the Uruguay Round will promote the creation of new jobs and increase the salaries of our workers, he added.

[Begin Serra recording] Mexico is convinced that the new world commerce organization must focus on three main actions:

1. Deepening reciprocal commerce liberalization by eliminating barriers and distortions that are still standing in various productive sectors.

2. Updating and improving the various areas [disciplinas] of the multilateral system of commerce to rid them of unilateral measures and reverting protectionist trends.

3. Ensuring an appropriate interaction between the competition policy and commercial measures to fight unfair practices. [end recording]

Secretary Jaime Serra Puche also advocated respect for the environment and protection of labor rights.

IDB Conference in Guadalajara Continues Meeting

Mexico's Aspe on New U.S. Attitude

PA1704224694 Mexico City EL FINANCIERO in Spanish 14 Apr 94 p 6

[Article by Rogelio Varela, Jesus Rangel, and Connie Ochoa]

[Text] Guadalajara, Jalisco, 13 Apr—The Latin American and Caribbean nations "have observed the new U.S. attitude toward the region," by considering us current and potential associates, said Pedro Aspe [Mexican finance and public credit secretary], president of the IDB [Inter-American Development Bank] Governors Assembly. Meanwhile, Enrique Iglesias, IDB president, noted that the first guarantee to control a nation's foreign debt is to maintain "clean public finances and good administration by the government."

Both officials closed the 35th annual meeting of the IDB Governors Assembly and the Inter-American Investment Corporation (CII), where they stated that the IDB's new commitments and new agenda are to support the overall economic and social development of the region through dialogue and attention to the programs that combat poverty and encourage the private sector.

In a news conference at the end of the meeting, Enrique Iglesias said that the economic liberalization policy undertaken by the Latin American governments "is totally coincidental with the policies of social improvement. Other models that were applied did not solve this issue, they made it worse, as is clearly demonstrated by the hiperinflationary crisis, which is the greatest burden on the most destitute in Latin America."

When reporting on the new organization of IDB capital shares, Aspe explained: There is a new attitude on the part of the United States toward the region as well as toward extra-regional European and Japanese participation. "What we have said is that the United States truly regards the region increasingly as a current and potential associate; this is resulting in a much more balanced and solid relationship. By reducing its shares in the IDB, the United States will participate in capital replacement without resorting to additional budget resources.

The official explained that the IDB Governors Assembly will meet on 10 June in Washington DC to establish the strategy to be followed in restructuring the CII so that its activities are not duplicated by those carried out by the IDB in the programs earmarked to finance the private sector, particularly infrastructure works.

Enrique Iglesias suggested that the IDB members who insist on pushing the economic reform process specifically improve internal savings with procedures similar to those used in the southeastern nations.

Iglesias said that the IDB has indicated its willingness to support the governments in implementing voluntary family planning policies and in reducing military expenses so that investments are directed toward productive activities.

Meanwhile, Iglesias disclosed that the IDB will seek to reduce its internal costs "because we feel we cannot preach austerity to the governments without practicing it in our own home. It is said that charity begins at home." The IDB president also explained that as a result of restructuring the bank's capital, two additional seats were created on the board of directors which still have not been assigned to any nation. In the next 60 days, a decision on this will be discussed with the multilateral organization's. One seat will be for a Latin American nation and the other for an extra-regional nation. Nevertheless, it has transpired that one of these seats is practically assured to Japan, while the other is being disputed by Chile with other Latin American nations.

In this context and during his participation in the fifth full assembly, Mario Read, a Dominican Republic minister, acknowledged the eighth replacement of IDB capital took place amid fierce debate. At times, the possibility of transforming the IDB from a promoter of economic and social development into an institution with a predominantly financial tone, was considered.

Meanwhile, Barry Hudson, UK alternate governor, indicated that the mission at this time is to make the best use of the large increase available in the bank's financing.

Venezuelan Minister's Speech 'Positive'

PA1604181894 Paris AFP in Spanish 2103 GMT 12 Apr 94

[By Jose A. Puertas]

[Text] Guadalajara, Mexico, 12 Apr (AFP)—The new Venezuelan Government has designed an economic program that will help overcome fiscal and financial difficulties in the short run and establish the bases for a sustainable growth with decreasing inflation, Venezuelan Finance Minister Julio Sosa Rodriguez said on Tuesday in Guadalajara.

Speaking to the 35th Annual Assembly of the Inter-American Development Bank (IDB) which is being held in this Mexican city, the Venezuelan minister assured that his government will only apply "the most orthodox mechanism of healthy macroeconomic management, that is, it will finance the deficit through higher domestic taxing and expense reduction."

Sosa's speech generated great expectations among the representatives of the international financial community who are attending the IDB assembly, because of the uncertainty, created by the inflation and fiscal deficit, that President Rafael Caldera found when he was inaugurated in February. Several bankers described his speech as "positive" and "encouraging."

Sosa Rodriguez listed five guidelines for his strategy: adequate macroeconomic management, comprehensive tax reform, an economic stabilization program, promotion of domestic and foreign investment, and continuation of economic opening through free exchange agreements with its commercial partners.

The effort will be supported by reaching a consensus with the labor and business sectors in order to voluntarily restrain price increases during the transition to the economic structure proposed by the government. He described it as "a competitive economy with social justice."

As for the assembly's agenda, Sosa Rodriguez said that he was pleased with the $40 billion increase in IDB capital, but complained about a lack of generosity on the part of non-borrowing members reflected by their contributions to concessionary [concesionales] funds used to assist countries that have lower revenues. He pointed out that although there was an agreement to reduce their contributions [participacion accionaria] to non-regional countries, Latin America and the Caribbean have had to bear a higher financial burden in its contributions to the bank. "[Word indistinct] the financial difficulties of non-borrowing countries, but they cannot be compared to the fiscal restrictions facing other countries of the region," the Venezuelan minister added.

He made it clear that Venezuela does not support one of the commitments included in the agreement to increase resources, that is, the capitalization of various funds through the transfer of net revenues produced by regular capital. This mechanism will increase financial charges on loans and will recycle resources within the region rather than channel additional resources into it, he pointed out.

Assembly Concludes in Guadalajara

PA1704181294 Madrid EFE in Spanish 2046 GMT 13 Apr 94

[Excerpt] Guadalajara, (Mexico), 13 Apr (EFE)—The 35th Inter-American Development Bank [IDB] Annual Assembly ended today in Guadalajara with specific agreements among the member states to increase the bank's capital, redefine its organization, and place stronger emphasis on fighting poverty.

The governors expressed their satisfaction with the agreements reached at the meeting. Much of the interest in the meeting was lost hours before it even began on Monday because the member countries had already agreed to increase the bank's capital and to focus more attention on social issues.

In addition to deciding on a $40-billion increase over the next six years, bringing the IDB's capital to $100 billion, the countries of the region decided to relinquish part of their voting rights to Japan and the European banks in return for greater contributions from them. The non-American members will now have an additional representative on the IDB Executive Board, which will be headed by Japan, while the Latin American members gained an additional seat to compensate for the vote that they relinquished.

When the meeting concluded, Pedro Aspe, Mexican Finance and Public Credit secretary and president of the 35th IDB Annual Assembly, said this agreement allows the Latin American countries to retain a majority with 50 percent of the votes and that no more votes will be relinquished to nonregional members in exchange for their contributions. Aspe stressed the multilateral nature of this decision, saying that it gives nonregional countries 16 percent of the votes. [passage omitted]

Cuba

Government 'Source' on NATO Bombings of Gorazde

PA1604173094 Hamburg DPA in Spanish 1625 GMT 16 Apr 94

[Text] Havana, 16 Apr (DPA)—A Cuban Foreign Relations Ministry source said today that the NATO bombings of the Bosnian city of Gorazde could trigger serious consequences for the Balkans, Europe, and the rest of the world.

The governmental Radio Rebelde reported that the diplomatic source maintained that the air attacks could spark unexpected consequences at regional, continental, and world levels, instead of contributing to reaching a fair solution of the conflict. The source of the Cuban Foreign Ministry believes that the path to peace must not follow an escalation of war, not even as a result of a foreign military intervention. On the contrary, all parties should refrain from encouraging this alternative; they should take definite steps toward promoting the success of the negotiation efforts and the attainment of a political agreement that would bring peace to that region.

Robaina Begins 'Official Visit' to Paraguay

FL1504192994 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Apr 94

[Text] Cuban Foreign Minister Roberto Robaina Gonzalez has begun an official visit to Paraguay in response to a courtesy invitation from the Paraguayan Ministry of Foreign Relations. At the moment, Robaina is meeting with acting Paraguayan Foreign Minister Oscar Cabello.

The press has been following Robaina since his arrival, to interview him regarding the purpose of his visit to Paraguay. Robaina stressed that the purpose is the same purpose as that for visiting the other South American countries: to explain Cuba's reality and truth, in all its dimensions, and to open the door to strengthening relations between the two nations.

Robaina's tight work schedule in Asuncion also includes meetings with members of the Chamber of Deputies commission on public health; Dr. Manuel Benitez, president of the Authentic Radical Liberal Party; and Eugenio Sanabria, of the Colorado Party, as well as a meeting with members of the Senate commission on foreign relations and with Paraguayan businessmen.

Says Havana Seeks Foreign Investment

PA1704024994 Havana Radio Havana Cuba in Spanish 0007 GMT 17 Apr 94

[From the "Evening Information Review" newscast]

[Text] Cuban Foreign Minister Roberto Robaina said in Asuncion, the capital of Paraguay, that in response to the severe economic blockade imposed by the United States, his country is in need of an economic model characterized by openness to trade and foreign investment.

During a news conference on the second and final day of his working trip to Paraguay, Robaina said that one of the main reasons for his South American tour was to advertise investment opportunities on the island.

During Robaina's trip to Paraguay, several political leaders from the South American country called for the restoration of diplomatic ties between the two nations, which were broken during the sixties because of pressure from the United States on the Paraguayan Government. The request was made by Senators Carlos Romero and Eugenio Zanabria, both members of the ruling Colorado Party [National Republican Association] and Manuel Benitez, leader of the Authentic Radical Liberal Party, the foremost opposition party.

The Cuban foreign minister is concluding in Paraguay a tour that included official trips to Uruguay, Peru, and Argentina.

Begins 'Unofficial' Visit

FL1704213894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 17 Apr 94

[Text] Cuban Foreign Minister Roberto Robaina today began a two-day unofficial visit to Paraguay. The first working day began with a meeting with acting Foreign Minister Oscar Cabello, with whom he exchanged ideas on the future of the Common Market of the South and on the reality of and prospects for Cuban development. Robaina also met with the Public Health Committee of the Chamber of Deputies of Paraguay, whose members recently visited Cuba and demonstrated interest in our country's biopharmaceutical development.

Roberto Robaina also met with the main leaders of the various parties in Paraguay. He met with Dr. Manuel Benitez Florentin, of the Authentic Radical Liberal Party; Eugenio Sanabria, president of the Colorado Party; Guillermo Caballero Vargas, president of National Encounter [as heard]; and Senator Victor Sanchez, president of the Febrerista Revolutionary Party.

Another important meeting was that between Roberto Robaina and Carlos Romero Pereira, acting president of the Senate, who was accompanied by several members of the Senate Foreign Relations Committee.

Later in the evening, Foreign Minister Robaina met with the Asuncion Municipal Council and mayor at the Paraguayan-Japanese Center.

Tonight [16 April], Robaina is scheduled to be interviewed by Bruno Massi of Paraguayan television's Channel 9.

Concludes 'Unofficial' Visit

PA1704202194 Havana Radio Havana Cuba in Spanish 1300 GMT 17 Apr 94

[Text] On the last day of his unofficial visit to Paraguay, Cuban Foreign Minister Roberto Robaina met with former President Andres Rodriguez and members of the Commerce, Industry and Production Federation, the largest [words indistinct] of that South American country. Robaina gave former President Rodriguez a message from Cuban President Fidel Castro, for which Rodriguez thanked him. The Cuban foreign minister spoke to Paraguayan businessmen about the island's economic plans and said that opportunities for investment are open with preference given to Latin American capital. Robaina said that Cuba can attract investments because it has raw materials, a highly qualified labor force, technology, markets, as well as roads, ports, and airports. The foreign minister also told the Paraguayan businessmen that Cuba has high production in the nickel, citrus, tourism, petroleum research, cement, textile, and pharmaceutical industries, all with a high degree of technical development.

Visits Argentine Province Governor

FL1804013694 Havana Cuba Vision Network in Spanish 0000 GMT 18 Apr 94

[Text] Today, Cuban Foreign Minister concluded his tour of South America by responding to an invitation from the governor of the Argentine province of Misiones, Dr. Federico Ramon Puerta.

During his 24-hour visit to Misiones, Robaina met with the leaders of several political parties of this northern province of Argentina and held conversations with Governor Federico Ramon Puerta.

In their conversations, Robaina and Puerta ratified the agreements signed in Havana by Governor Puerta during his visit to our country. These agreements establish the sending of health care specialists, medical equipment, and medicine to Misiones in exchange for wood, paper, cardboard, flour, and soybean oil.

Raul Castro Reiterates Guantanamo Sovereignty

PA1704022394 Havana Radio Havana Cuba in Spanish 0000 GMT 17 Apr 94

[From the "Evening Information Review" newscast]

[Text] General Raul Castro Ruz, minister of the Revolutionary Armed Forces, reiterated on Saturday in Guantanamo City that Cuba will never renounce its sovereign right over Caimanera, where the United States maintains a military base against the will of the Cuban Government and people.

In a speech commemorating the 33d anniversary proclaiming the socialist nature of the Cuban Revolution and Militiamen's Day, Raul Castro denounced the United States, saying that at a time when the United States is closing bases in its territory and in other countries to reduce its gigantic military budget, it maintains its enclave in Caimanera as a point of constant provocation and humiliation of Cuba.

Castro, who is also second secretary of the Central Committee of the Communist Party of Cuba, pointed out that in 1993 and so far in 1994, a climate of tranquillity has predominated on both sides of the fence that separates Cuban territory from the U.S. Naval Base. He said I will do everything in my power so that it continues this way. That is why, underscored Raul Castro, necessary measures will be adopted to frustrate the outrageous attempts by those intending to leave the country through the Caimanera base—attempts which not only seriously endanger their lives, but can also cause warlike incidents of unpredictable consequences.

The leader of the Cuban Revolutionary Armed Forces called on the United States to discourage illegal departures by Cubans, not only those through Guantanamo, but also those using unsound vessels to reach the Florida coast, where they are allowed to stay—something that is not granted to any other foreigners in the United States.

'Change' in U.S. Refugee Policy Discussed

FL1504162094 Havana Radio Rebelde Network in Spanish 1155 GMT 15 Apr 94

[Interview via phone with Marcos Castellon from Miami by Radio Rebelde reporters Maria Elena Alonso and Zenaida Costales on the "Doing Radio" program—live]

[Text] [Alonso] Good morning Marcos. There are indications that there has been a change in the U.S. immigration policy toward Cubans. We would like to hear details on this issue.

[Castellon] Yes, good morning. This week, for the first time, U.S. authorities intercepted and returned a group of Cubans who were found at sea who were on their way to Florida from the Bahamas.

Up until now, the policy of impeding groups of illegal aliens from arriving on U.S. territory had only been applied to Haitians and other foreign nationals but not to Cubans, who as everyone knows benefit from the 1966 law.

This legislation permits any Cuban citizen to be admitted immediately once they reach U.S. territory despite the originating point of their voyage or the reasons for that trip. At the moment, this exclusive privilege is being challenged in Congress with a bill that seeks annulment of the privilege considering it discriminatory to other foreign citizens who are required to present evidence of their allegations of political persecution in their native land.

The interception and return of these 19 Cuban immigrants to Bahamas by the U.S. Coast Guard is described by the MIAMI HERALD's 14 April editorial as a good attempt to make the U.S. immigration policy more consistent.

According to the same editorial, under the new policy, Cubans will be returned if they come from a third country where they were established according to declarations from an official of the U.S. Administration who was not identified.

With the pretext that there is already an immigration crisis with the Haitians in the Bahamas, the government of those islands criticized Washington's decision of returning the Cubans to the Bahamas and has refused to accept any other deportees. The editorial goes on to say that Cubans, Haitians, and other possible illegal aliens should be warned, through radio broadcasts and family members living in the United States, of the risks in traveling to U.S. coasts on fragile boats and rafts.

The editorial also suggests that Washington be firm in breaking up immigrant smuggling networks, that it ask other governments to discourage illegal emigration, and not to expect other nations to give up their sovereign rights, as in the case of the Bahamian Government which rejected the return of Cubans to its territory.

[Alonso] Yes, Marcos. But this is something strange especially when it regards Cuban citizens. I would like to hear your opinion on this change in policy by the U.S. Government.

[Castellon] This is a complex issue because the U.S. immigration policy is something that is very difficult to understand—it is very inconsistent. Many point out that it is full of inequalities and gives privileges to the Cubans.

Coinciding with the request by a U.S. Congressmen that the United States invade Haiti and get rid of the military council that overthrew President Jean-Bertrand Aristide, 16 players of the Haitian soccer team asked for asylum at the U.S. Embassy in Trinidad and Tobago and were rejected. These players say that if they return to Haiti they will be the object of political persecution. Nevertheless, the U.S. Government did not accept their request for asylum.

This brings to mind the situation of Ponce, Puerto Rico, where deserters of the Cuban sports delegations to the Central American games, encouraged by anti-Castro groups, decided to stay. Those that decided to stay had the immediate protection of the U.S. Government without having to prove that they qualified for the condition of political refugee.

On many occasions it has been pointed out that this difference in treatment between Cubans and Haitians, in addition to having political overtones, has aspects of racial discrimination. This is not surprising if one considers the results of a recent survey, which was published today, that says the U.S. black population is becoming more radical and pessimistic every day. This study was conducted by the University of Chicago. Half of those interviewed even support the formation of a national political party consisting only of blacks. Seventy-three percent doubt they will ever be able to see racial equality in their lifetime. A similar number believe that the legal and economic systems, and society in general in the United States, are not fair with black citizens. That is partly reflected in the U.S. immigration policy.

[Alonso] Yes, that is very interesting. I believe Zenaida Costales has a question for you.

[Costales] Good morning. I thank you for the help you give to the "Doing Radio" program. I was wondering if you could tell us about the treatment given to those who leave Cuba illegally and reach the United States. How are these people received?

[Castellon] They are automatically admitted. When Cubans are seen in the Straits of Florida they are immediately helped. They are taken to Coast Guard bases and are quickly processed and are turned over to groups who give them support. They immediately become an object of press coverage and later become part of the general social current.

At the beginning, depending on the position they held in Cuba, or if the circumstances of their arrival are dramatic, their arrival is used as an element of propaganda. One must examine their condition months later. Undeniably, many of them have relatives here and they adapt and progress in this society. But there is also an enormous quantity, who are not given as much press coverage, who months after arriving are still waiting for promises of work and are still having problems with housing. There are some who are even begging for money on the streets.

There also many, many of whom I have met and whom have not been given enough coverage, who regret coming to the United States and they miss their relatives and their homeland. This is a reality that is very shocking.

[Alonso] Marcos, we thank you for your opinion and your cooperation.

Study: Illegal Departures Driven by Economics

FL1504230794 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Apr 94

[Passages within quotation marks recorded]

[Text] The U.S. Interests Section in Havana granted only 20,000 of the 100,000 visas requested in 1993. Could this be a factor prompting the illegal and risky departure of thousands of people from Cuba?

Why do people chose to leave Cuba illegally? What are the main causes? Lourdes de Urrutia, a Havana University sociologist and member of a group who conducted a study on the matter of illegal emigration, explains.

[Urrutia] "I believe it is interesting to point out why those who choose to leave illegally do so. The fact is that 53 percent of those interviewed do not meet immigration law requirements, [passage indistinct] first-degree blood relationship that is required in order to be legally sent for by relatives in the United States. A certain percentage of those interviewed who do meet the requirements, or have first-degree blood ties with relatives in the United States, opt to leave illegally because they believe it is speedier than leaving via legal channels, and circumvents all the paperwork required to depart legally. Thus, I believe illegal departures are conditioned by the restrictiveness of U.S. policies and by the parameters for people to be able to emigrate legally to the United States that that country establishes."

Specialists are of the opinion that economic reasons, as well as the difficult situation Cuba is going through, are the main reasons people weigh in choosing to leave Cuba illegally.

[Urrutia] "Among the economic reasons these people mention is the frustration they are experiencing because of the conditions of the special period. There is also the fact that over 70 percent of them decided to leave Cuba during the special period, after 1990. Therefore, these are not people left behind from past surges of emigration. They are people who reached their decisions between 1990 and the present, and primarily during 1993, which is the year our study was on. This is the year when the difficulties of the special period were most acutely felt. We believe that all this supports our conclusion that this emigration is of an economic nature."

The matter of illegal Cuban emigration to Florida reflects the status of immigration relations between Cuba and the United States. It also shows that this matter continues to be part of this bilateral conflict.

Cabrisas Signs Uruguay Round Document

FL1604152994 Havana Radio Progreso Network in Spanish 1000 GMT 16 Apr 94

[Text] In Morocco, Cuban Foreign Trade Minister Ricardo Cabrisas signed the final document of the Urugauy Round and the document for the creation of the World Trade Organization. According to information from the Ministry of Foreign Trade, in the declaration the ministers that represent 124 governments and the EEC salute the historic achievement that the conclusion of the round represents with the conviction that it will strengthen the world economy.

In his speech before the ministerial meeting, Cabrisas described the creation of the World Trade Organization as positive, but warned that the economies of the South will continue to be subject to inequalities if the foundation of the current rules of the game are not changed. He pointed out that Cuba will not benefit from the agreements reached in one of the most important markets, the U.S. market, because of the U.S. economic, trade, and financial blockade imposed on Cuba for more than 30 years.

Human Rights Leader Receives 7-Year Sentence

PA1704005794 Havana Radio Havana Cuba in Spanish 1300 GMT 16 Apr 94

[From the "Morning Information Review" newscast]

[Text] The Havana City Provincial Court has sentenced Rodolfo Gonzalez Gonzalez to seven years in prison for disseminating false information on Cuba to create an image of social chaos and promote foreign intervention.

During the trial, which was open to accredited foreign diplomats and reporters, it was proven that Gonzalez Gonzalez disseminated fictitious reports of large-scale attacks on public centers and police repression to the United States by telephone, which were broadcast by anti-Cuban radio stations.

[Madrid EFE in Spanish at 0033 GMT on 16 April transmits a related 300-word Havana-datelined report on the Rodolfo Gonzalez Gonzalez case. The EFE report says Gonzalez, who is identified as the spokesman for the outlawed Cuban Human Rights Committee, was convicted of disseminating "enemy propaganda," a crime for which he received "one of the harshest sentences handed down over the past few years for a political crime." Gonzalez is quoted as saying he does not expect to serve his entire sentence, "because the current situation in Cuba cannot last that long."]

Power Outages To Affect Key Economic Sectors

PA1504214294 Mexico City NOTIMEX in Spanish 1642 GMT 14 Apr 94

[Text] Havana, 14 Apr (NOTIMEX)—Prioritized sectors of the economy and social services of Cuba could be affected beginning today by sporadic power outages, local radio and an official spokesmen confirmed today.

"The situation remains tense as Basic Industries Minister Marcos Portal has explained," a spokesman for state-owned Union Electrica Company has told NOTIMEX. "In the next few hours there could be a little more electricity if four or five generators that were out of order begin operations," the official added.

On Tuesday and Wednesday there was an average of five hours of electric power in this capital of over 2 million people, where extensive areas have remained in the dark for over three weeks. Official sources stated two thirds of the electric power generating capacity of Cuba is out of service due to failure and lack of maintenance.

"Today will also be a very tense day and even prioritized sectors such as the sugar harvest, industrial production, and the population in general will be affected," the spokesman for state-owned Union Electrica Company asserted. According to the spokesman, the daily power outages do not include hospitals and laboratories, selected production centers, state-owned organizations, military command centers, and the group of tourism installations. "Above everything are the water lines, hospitals, and bread making," the spokesman stated.

Spokespersons for the Ministry of Basic Industries said a repair plan will enter into operations this month, but the recovery of some 60 percent of the electric power production capacity will only be achieved at the end of the present year.

Other sources NOTIMEX consulted explained there are delays in maintenance due to lack of resources and, although some resources have been received, the recovery process in this regard will take two to three years. The failure of the system was added to the lack of fuel for thermal energy production, originated by the shortage of crude oil in the country, despite the efforts made by state-owned Cuba Petroleo (Cupet).

Cupet representatives reported that 2.135 million barrels of crude oil were extracted during the first quarter of this year, representing 112 percent compliance with the oil program. The national production plan for crude oil, whose high content of sulfur is damaging the boilers of the thermoelectric centrals, so far this year totals [number indistinct] million barrels, that is 700,000 barrels over what was extracted in 1993.

Cuba reduced its oil supplies from 91 million annual barrels to less than half that amount, following the disappearance of the Soviet Union, its former essential supplier.

According to Cupet data, the production of 821 megawatts (26 percent of the total) is hampered by faults and that of 570 megawatts (18 percent) due to lack of maintenance. Resources equivalent to 372 megawatts (11 percent) have different limitations and the equipment generates lower-than-capacity amounts, according to the energy utility company.

Power Outages To Continue

FL1504231994 Havana Radio Reloj Network in Spanish 1933 GMT 15 Apr 94

[Text] On 15 April, the Electric Union of the Ministry of Basic Industry announced that the electric power deficit being experienced nationwide will continue on into next week, and that outages will continue to be extensive. The nation's power generation capability is 3,132 megawatts, but the fact that the generator units of certain plants have not received maintenance or have broken down has resulted in a significant drop in the output of energy. Although 1,325 megawatts were provided this week, there is a marked difference between the nation's supply of electricity and its demand. This has resulted in extensive outages between 0500 and 0000.

Next week's deficit is estimated at 680 megawatts; therefore, the extensive outages will continue.

Government Marks Funds for Power Plant Parts

FL1504133594 Havana Radio Progreso Network in Spanish 1100 GMT 15 Apr 94

[Text] The Cuban Government has earmarked $13 million for the purchase of components, spare parts, and other resources abroad for the repair and maintenance of a number of thermoelectric plants in the country.

The tremendous efforts being made by personnel of the electricity sector and other areas, in addition to the resources which are now beginning to flow, will facilitate the beggining of the recovery of the power plants' traditional generation levels.

Lage Views Sugar Harvest in Eastern Provinces

FL1504185594 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Apr 94

[Text] Carlos Lage Davila, vice president of the Council of State, has urged sugar industry workers throughout the country to continue exhibiting the same spirit in the final stage of the harvest.

During the assessment of the current sugar harvest in the southeastern region, Lage presented to Granma the banners acknowledging the province as the best of three during the first 10 days of April. Reporter Jorge Luis Batista has a recording by Lage on this matter:

[Begin Lage recording] A political message of a sugar harvest that is beginning to recover is a very positive political message, one that helps and encourages us to tackle the situation and to confront the daily difficulties.

I don't know whether I need to make a call for a final effort, because the appraisal that we have from all comrades is that the maximum effort is being made. The call must be to maintain that maximum effort during this harvest, because this is what will bring the nation resources, although these resources will be very limited because the harvest is still limited. Nevertheless, I am leaving with the conviction that the three provinces being assessed will fulfill their objectives—especially Granma, because I had the opportunity to listen to the directors of the different complexes and I think the people are making the efforts that are necessary for the Revolution. [end recording]

Views 'Difficult' Year, Assembly Session

FL1604152894 Havana Radio Rebelde Network in Spanish 0900 GMT 16 Apr 94

[Text] In Granma Province, Politburo member Carlos Lage stated that the country's efforts to find a solution to every problem deriving from the collapse of the Socialist Bloc are beginning to have results and to be reflected in some of the branches of our economy. As an example of this, Lage mentioned the tourism and oil extraction industries, which are going to continue to grow. He went on to say that tobacco production must be elevated starting with the current harvest and that transformations are being made in citrus, cement, and shrimp production.

Lage warned that the current year will be a difficult one due to the fact that the production level of the current sugar harvest remains low and that the rest of the areas of income do not compensate for this drop. He pointed out that such results in the main industry are due to the lack of resources to secure it. Lage went on to say that the functioning of the economy and the life of the population will improve as we see a recovery in production.

Lage underscored the importance of stopping the decline in production and of producing more than in the past harvest, since in the past years each harvest has been smaller. He underscored that such an accomplishment would mark a turning point in the economy.

Regarding the upcoming session of the National Assembly of the People's Government [ANPP], Lage stated that specific measures will not come out of those debates because to adopt such measures requires a high level of instrumentation and precision, which cannot be achieved in such a broad forum.

[Begin Lage recording] I would say that the assembly has great importance because of the significance of the issue that will be analyzed: the economy, something that is very important and that at the moment is of great interest.

As everyone knows, we have an excess of currency which is the result of the (?decline) in production. This situation must be rectified. We must balance the money that is circulating among the population, and the money that is printed periodically, with the offer of goods to the population.

This problem was originated by a policy of justice that the revolution adopted in face of the situation that was created with the collapse of the Socialist Bloc. In an attempt to level the prices, so that people with higher incomes would not be the only ones with access to goods, the revolution tried to establish a more equitable distribution of goods. This distribution was even more rationed than before, so that everyone could have access to those goods. Now we hope to rectify gradually the imbalance which has been created, as we gradually recover our levels of production and the situation is normalized.

To a certain extent, this assembly will also summarize the process of the workers parliaments, the assemblies which gathered all those opinions, and the meeting by the plenum of the national committee of the Cuban Workers Federation. I would say that the assembly will summarize that whole process.

Specific measures will not come out of that assembly. Those measures require a level of instrumentation and precision that cannot be obtained in a discussion among 500 people. Those decisions must be taken by the leadership of the government. The assembly should make recommendations. It should instruct the government and make recommendations and explanations as to what direction the government should take in making those decisions so that in the following weeks we can begin to see the progressive application of the measures that are finally adopted.

Therefore, I believe that the assembly that will be held on 1 May, will be very important and will be given extensive coverage. [end recording]

Oil Production Reaches 305,000 Tons

PA1604152394 Hamburg DPA in Spanish 1913 GMT 14 Apr 94

[Text] Havana, 14 Apr (DPA)—Cuba announced today that it produced 305,000 tons of oil during the first quarter of 1994, surpassing by 112 percent the goal set for that period. The state-owned National Radio Newscast (NNR) revealed that the island plans to extract 1.2 million tons of crude oil this year, 100,000 tons more than the record amount extracted in 1993.

Local oil production, known for its high density and sulfur content, represents approximately 16 percent of the oil Cuba might have available this year to keep its cement, nickel, and glass industries operating.

According to NNR, daily hydrocarbon production represents approximately 15 percent of the country's fuel needs at this stage, which is characterized as the worst economic crisis since 1959. However, the newscast explained that Cuban crude oil used to generate electricity represents 30 percent of the total fuel used for that purpose.

The drastic decline in deliveries by the former Soviet Union to Cuba (from 13 million tons a year until 1989 to less than 6 million last year) caused a partial paralysis in island transportation and continuous and prolonged power outages that have angered citizens. Until shortly before its formal disintegration in December 1991, the former USSR gave its Caribbean ally approximately $120 million a year in credit for oil exploration.

To balance the enormous fuel deficit, which paralyzed hundreds of factories, Cuban authorities encouraged the extraction of national crude oil and opened up the sector to foreign oil companies for prospecting operations.

ANAP Plenum Evaluates Agriculture Problems

FL1504133694 Havana Radio Reloj Network in Spanish 0136 GMT 15 Apr 94

[Text] ANAP [National Association of Small Farmers] is analyzing its principal deficiencies. The recovery of production in the cooperative and small farmer sectors, indispensable for reestablishing the nation's economic equilibrium, is being analyzed in depth at the fifth national ANAP plenum. This meeting, presided over by Politburo members Ricardo Alarcon and Alfredo Jordan and by ANAP President Orlando Lugo Fonte, is evaluating solutions to the principal difficulties affecting the nonstate sector of Cuba's agriculture.

Despite the production potential of the small farmers cooperatives, results last year did not correspond to the amount of land planted and the existing number of animals, and were below expectations. Concerning tubers and vegetables, there was an overall decrease, nationwide, and within these sectors, this (?was more noticeable) in the agricultural-livestock production cooperatives.

The fifth pleneum of ANAP's national committee, which is meeting in Guira de Melena Municipality, Havana Province, set forth the main causes of the decrease in agricultural-livestock production. The delegates to the meeting agreed that, in addition to the problems of the weather, shortages and the late delivery of resources, problems of an organizational nature and a failure to make demands also have an effect. The sales on the free market by a number of farmers and the bartering of tubers and other agricultural products for articles of prime necessity are being evaluated in the light of the social disorganization prevailing in Cuba. Several plenum participants came out against this, and the plenum approved strengthening the work of the cooperatives' boards of directors and once again taking up the process of discussing pride and honor on the part of the farmers.

Dominican Republic

President Voices Opposition to Haitian Embargo

PA1504153194 Madrid EFE in Spanish 2303 GMT 14 Apr 94

[Text] Santo Domingo, 14 Apr (EFE)—Dominican President Joaquin Balaguer today said his government has not agreed "at any time" with a total embargo against any country, be it Cuba or Haiti.

He revealed that his government's position, which has been forwarded to the United States, has nothing to do with the cordial relations he maintains with Cuban President Fidel Castro. Nevertheless, he said the blockade against Cuba and Haiti should be completely lifted only "when international organizations consider this course of action to be correct." Balaguer stated his views during his regularly scheduled Thursday news conference.

Balaguer said his government's support for the embargo and its surveillance along the border with Haiti "will not threaten the Dominican Republic's sovereignty, because this is not at stake." Nevertheless, he reasserted he will not permit the presence of international observers, although he respects the decision by international organizations to maintain an economic embargo against Haiti—a decision he does not endorse.

The president said the embargo is detrimental to the poorest people in Haiti, and, therefore, the Dominican Republic has never favored the embargo. Nevertheless, Balaguer said he decided to strengthen surveillance along the border with Haiti in the wake of complaints from international organizations that said he should not allow fuel to pass into Haiti from the Dominican Republic. He announced that surveillance will be increased in the future, but he did not specify when.

Haiti

'Source' Views Planned Senate President Speech

FL1504171694 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Apr 94

[Text] The president of the National Assembly, Senator Firmin Jean-Louis, will address the nation today, 15 April, on a private radio station in the capital within the scope of a message on the immediate political juncture, the HAITIAN PRESS AGENCY learned from a source close to Sen. Jean-Louis. According to the same source, the legitimate president of the Senate reserves the right not to react to the speech of Chamber of Deputies President Frantz Robert Monde, but to react to the immediate situation of the country.

The current political juncture favors numerous irresponsible and illegal steps, the same source pointed out, holding as an example the attempt by some senators of the Alliance [for Parliamentary Cohesion] and senators elected during the contested legislative elections of 18 January 1993 to implement Article 149 of the Constitution. The president of the National Assembly proposes giving his opinion as well on the possible legislative elections scheduled for this year in his message. The message will be delivered less than 48 hours after the one delivered on 13 April by Chamber of Deputies President Frantz Robert Monde, who announced a series of consultations for next week within the framework of finding a solution to the crisis.

Promising to provide explanations on the presence abroad of the president elected on 16 December [1990], Deputy Monde, who has never hidden his hostility to the return of President Aristide to his post, contented himself with evoking the extended absence of the president of the republic, whom he nevertheless asked to assume his responsibility toward the Constitution by appointing a prime minister. Monde also asked General Cedras not to listen to the perverse songs of the sirens and to do what his duty and his word as a soldier order him to do.

Jean-Louis Addresses Nation 15 Apr

FL1604143594 Port-au-Prince Radio Metropole in French 2300 GMT 15 Apr 94

["Text" of speech by Senate President Firmin Jean-Louis on 15 April; place not given—recorded]

[Text] Haitian people: There is nothing in the evolution of the world and events that does not have its critical moment. The supreme achievement of proper conduct is to know that moment. Yes, we are experiencing today a very critical moment in the evolution of the Haitian crisis that calls upon me as president of the National Assembly—joint guardian of the national sovereignty—to address you so as to sum up the immediate national political juncture. This critical moment is marked by a general despondency of the population including all social strata in view of the complications of a national crisis that appears unsolvable after 32 months. Now, if everybody—including without discrimination politicians, soldiers, shopkeepers, state employees, priests, pastors, teachers, students, and so on—is overwhelmed, there is good reason to ask the question: What really hinders the resolution of the crisis? This is a pertinent question because the viability of any community lies first and foremost in its capability to define its true problems so as to bring true solutions to bear.

Furthermore, this critical moment is marked by a big confusion knowingly maintained by some and by others who are defending unavowed interests to the very detriment of the Haitian national interest. Some are asking for the implementation of Article 149 of the Constitution, whereas others are asking for the implementation of Art. 148. But all of that shamelessly reveals the true elements of the solution to the crisis, notably the rehabilitation of the Constitution and of the national sovereignty lying in the universality of the citizens, normal functioning of the state and reinforcement of the republican institutions, social healing, national reconciliation—conditions essential for recovering social and political stability and for moving toward the path of economic progress.

In fact, I say the moment is very critical because—among other things—there are precise deadlines that are approaching rapidly. The deadlines will test the fortunes and viability of the Haitian democratic project. The first of those deadlines is next 9 May, the date when the first legislative session will reach an end. From then on, the honorable deputies will go on vacation and will come back on the second Monday of June [13 June], which implies that if—between now and next 9 May—the resolution of the crisis has not begun at least in a decisive manner, we will have only three free months left, that is from the second Monday of June to the second Monday of September [12 September] to set up the constitutional measures and the practical mechanisms aimed at leading to the forthcoming 1994 elections. In this regard, I fully share the concerns expressed by the president of the Chamber of Deputies, honorable Deputy Frantz Robert Monde, in his address to the nation this past 13 April, concerns evoked by myself during several meetings and discussions with colleague Deputy Monde.

However, I bitterly regret that Deputy Monde decided not as a deputy or president of the Chamber of Deputies, but rather as vice president of the National Assembly to solemnly address the Haitian people and country without having had the kindness, even the courtesy, to inform the president of the National Assembly. I bitterly regret that the vice president of the National Assembly just offered reservations about the latest maneuver of 10 April made by the elected representatives of the contested 18 January 1993 elections assisted by some dissident senators. Finally, I bitterly regret that the vice president of the National Assembly labeled this so-called assembly of 10 April 1994 an assembly of senators under the leadership of an illegal office which the vice president of the National Assembly himself had labeled a few days before as illegal and illegitimate. From that moment, the vice president of the National Assembly should have armed himself with his well-known courage to clearly tell the nation about the unacceptability by the office of the Chamber of Deputies of any and all acts coming from this illegal and illegitimate office. This is what the senatorial assembly and I, president of the National Assembly, were expecting from President Monde.

As president of the National Assembly, I must consider all necessary measures for the realization of the session scheduled for next 9 May to allow the honorable deputies to go on vacation. This having been said, it is the duty of each senator and each deputy to work toward the disentanglement of the Senate of the Republic. Everybody knows the reasons for this entanglement are essentially the occupation of the administrative premises and of the session room by those elected in the contested 18 January 1993 elections and some dissident senators and a strong tendency toward physical violence—which has been manifested several times—among most of them. So, as a responsible leader, I have the right to prevent any and all situations that might give rise to tragic incidents.

All in all the entanglement of the Senate is the entanglement of the parliament, which falls within the scope of the general entanglement of the country. This can be proved by the fact that the rare sessions held at the Chamber of Deputies since I opened the first session this past 11 January have not enabled a move toward the resolution of the crisis. As president of the National Assembly, I consider that the efforts of the parliament will have a real meaning when all of us, senators and deputies, enter the path leading to an effective way out of the current crisis. The essential elements binding the parliament directly in its constitutional prerogatives are the following: a vote on the law relating to the amnesty, the ratification of the new commander in chief, and the ratification of a new prime minister.

In this regard, I call on the president of the lower chamber and vice president of the National Assembly as well as all vital forces of the nation to join me so we can reach together this immediate and priority objective. This is why, as president of the National Assembly concerned with the critical situation the nation is experiencing, I am duty bound to draw the attention of the honorable deputies and senators to the fact that it is time—yes, I say it is time—for us to roll up our sleeves and to show the people who rely on us that we can do great things. Thank you.

Jean-Louis: Monde Responsible for Crisis

FL1504175094 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Apr 94

[Text] The president of the lower chamber is allegedly one of those responsible for the crisis which has been raging in the country for over two years; he should at least have the heart to admit it instead of trying to hang the responsibilty on others, according to Deputy Fignole Jean-Louis, the president of the National Front for Change and Democracy. The deputy says that the appointment of a new prime minister will change nothing in the current situation.

[Begin Jean-Louis recording] We think that Monde... [pauses] We think that Deputy Monde contradicted himself. He should have said instead... [pauses] He should be courageous enough to say if the country has reached such a situation, he is one of those who are responsible for the misfortune of the Haitian people, for the (?heartbreaks) and the chronic miseries the Haitian people are experiencing now because on 7 October [1991].... [pauses] We know what happened here.

As for us, we could not enter the Senate, only Radio Nationale and Television Nationale d'Haiti had the right to enter on that day. What happened? After a vote favoring Article 148, which was ready to be sent to President Aristide in Venezuela so he could choose a prime minister, which all diplomats pretended to approve, Monde was the first one who set up a scenario and came up with a piece of paper in his pocket under the pretext that he had been arrested outside the parliament. They began establishing the de facto governments on the basis of a piece of paper upon which no parliamentarian cast a vote. The current situation of the country is a consequence of the successive de facto governments. So, he should be courageous enough to say that we in the FNCD are not responsible for this situation because since the beginning of the crisis we said no, we do not agree with this matter of a coup d'etat because the government was elected, and it was up to the people to take a measure if they were not satisfied with the government. [end recording]

Soccer Team Members Threaten Suicide Outside U.S. Embassy

PA1604044194 Mexico City NOTIMEX in Spanish 0141 GMT 16 apr 94

[Text] Port of Spain, Trinidad and Tobago, 15 Apr (NOTIMEX)—The 25 members of the Haitian national soccer team who have requested political asylum in the United States, which was subsequently denied, threatened to carry out a mass suicide today.

After being eliminated from the Shell Cup taking place in this capital city, the Caribbean soccer players decided not to return to their country, considering the embattled situation there.

According to their threat, the mass suicide would take place in front of the U.S. Embassy in this city. The embassy decided not to grant a visa to any of the athletes who are stranded in Trinidad and Tobago.

"If we return to our country, we will be risking our lives; that is why we would rather immolate ourselves now instead of returning. The United States must help us," said Earns Jean-Baptiste, spokesman for the soccer group.

Reports on Le Borgne 'Shoot-out' Still 'Confusing'

FL1504213194 Port-au-Prince Radio Metropole in French 1600 GMT 15 Apr 94

[Text] According to the Haiti Press Agency, AHP, the situaton remains confusing in the northern Haitian village of Le Borgne following a shoot-out that took place last weekend between a number of armed civilians and a number of military from the Le Borgne outpost. The Haitian military authorities have yet to make public any official version of the incidents in Le Borgne.

AHP says that reports by Inter Press Service mention several people being killed during the attack, without specifying which side suffered the alleged losses. AHP reports, further, that a number of sources, which coincide, make mention of many arrests in the Le Borgne area, including that of Le Borgne mayor Belizaire Fils-Aime and a rural policeman. Several houses were also reportedly burned down.

It should be noted that there is no telephone link between Port-au-Prince and Le Borgne.

Dominican Commission Seen as Compromise Among Lobbies

FL1504220794 Port-au-Prince Signal FM Radio in French 1030 GMT 15 Apr 94

[Text] Dominican President Joaquin Balaguer has set up a commission to enforce the embargo against Haiti. This commission—made up of the Armed Forces minister, the military chiefs of the general staff, and the Army—will have to solicit from the United Nations, through the pertinent institutions, the logistic support it needs to do its job.

This measure by President Balaguer comes after U.S. Democratic congressmen asked him to assume a more responsible attitude so as to put an end to the flood of goods that cross the border between the Dominican Republic and Haiti daily.

According to the Dominican newspaper (LA PRENSA), this trafficking takes place with the conspicuous complicity of the Dominican border guards and other Dominican citizens. Information from Washington says the State Department hopes Balaguer will ask for UN monitors, so as to strengthen surveillance along the Haitian-Dominican border.

Observers think this Dominican Government decision to form a commission with the mission of strengthening surveillance along the border is a compromise that has been reached among the divers lobbies in the Dominican Republic and the United States that criticize international sanctions against Haiti.

Analysts say, furthermore, that Balaguer has exhibited a position hostile to President Jean-Bertrand Aristide, who accuses him of encouraging the hiring of thousands of Haitians for the Dominican sugarcane plantations [batey].

President Aristide has stated that the Haitian workers are treated like slaves in the Dominican Republic, living under subhuman conditions—without running water, electricity, or social assistance—and working for pathetic wages.

It should be recalled that Balaguer's response to this accusation was a massive deportation of Haitians.

Group Opens Fire on Chiapas Military Checkpoint

PA1604035294 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Apr 94

[From the "ACIR Radio News" newscast]

[Text] At approximately 0530, a group of unidentified individuals opened fire on a military checkpoint located on the highway from Tuxtla Gutierrez to Chicoasen Dam in Chiapas State. The attack lasted approximately 50 minutes. As a result, one Mexican Army communications sergeant was wounded and died a few hours later at a hospital. This is all that happened in that isolated incident.

Miguel Angel Godinez Bravo, Seventh Military Region commander, explained on behalf of the National Defense Secretariat that there is no relation between this incident and the Zapatist National Liberation Army [EZLN]. We must also point out that at 0600, two Bell combat helicopters and a Pilatus Air Force airplane overflew La Chacona Mountain, strafing different areas in an attempt to locate the perpetrators of the attack. Chiapas Attorney General Arturo Becerra Martinez ruled out any connection between this morning's clash in Tuxtla Gutierrez and the EZLN.

[Begin Becerra recording] So far, we do not know the motive or name of the assailants. Until now nothing indicates the EZLN is linked to the attack. Should we obtain further information, the Attorney General's Office will pass it along to you later. [end recording]

Defense Secretariat Bulletin

PA1604202994 Mexico City XEW Television Network in Spanish 0430 GMT 16 Apr 94

[Bulletin issued by the Mexican National Defense Secretariat on 15 April; place not given; from the "24 Hours" newscast]

[Text] At approximately 0530 today, the military checkpoint established near Tuxtla Gutierrez on the road to Chicoasen was attacked with gunfire by a small group of unidentified civilians. The shots were fired from a distance of approximately 200 meters, wounding a sergeant of the signal corps. He was evacuated to the regional military hospital in Tuxtla Gutierrez where he later died.

The armed attack lasted until 0620. It was repulsed by the military personnel who forced the attackers to flee. It is not known whether the attackers sustained casualties. The civilian population was not harmed.

Government: Peace Not Jeopardized

PA1604000894 Hamburg DPA in Spanish 2236 GMT 15 Apr 94

[Text] Tuxtla Gutierrez, Chiapas, 15 Apr (DPA)—The Mexican Government has said that today's predawn attack on a military checkpoint in southern Chiapas does not jeopardize the peace process in this strife-torn region that borders Guatemala.

A spokesman for the Mexican presidential palace told DPA there does not seem to be any relation between the attack on the checkpoint near Tuxtla Gutierrez and the armed conflict that broke out in this state on 1 January. In this way, the government dismissed reports that the Zapatist National Liberation Army (EZLN), which took up arms on New Year's Day, waged the attack.

Chiapas Attorney General Arturo Becerra said that so far there are no indications the EZLN was involved in the attack on the checkpoint located on the highway leading from Tuxtla Gutierrez to Chicoasen, a town that is far removed from the guerrilla's zone of operations.

Chiapas Governor Javier Lopez Moreno, in turn, stressed that the truce between the insurgents and the Mexican Army, which has been in effect since 12 January when the government ordered a unilateral cease-fire of its offensive actions, "is alive."

The Defense Secretariat today said an Army sergeant died as a result of wounds sustained when "a small group of unidentified civilians" opened fire on the military checkpoint. According to the official report, the Army repelled the "armed assault" and the assailants fled. It is believed that they are hidden in caves in the mountains near the site of the skirmish. There is no word on casualties among the attackers.

An hour afer the clash, which began at approximately 0530 (1130 GMT), several Armed Forces helicopter gunships were still flying over the area and firing, according to reports from residents. The area was reopened to traffic after it had been sealed off for several hours.

The EZLN recently charged that the Army has been mobilizing troops and warned that such deployments threaten the peace process, which began on 21 February. The first phase of the peace process ended on 2 March when the government announced its responses to a 34-point list of demands submitted by the rebels.

In the wake of the murder of Luis Donaldo Colosio, the ruling party's presidential candidate, the EZLN suspended its consultations on the government's proposals—consultations that were being held within Indian villages located in the EZLN's area of influence.

Peace Commissioner Communique to EZLN on Attack

PA1604033894 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Apr 94

[Report on communique by Manuel Camacho Solis, Chiapas peace and reconciliation commissioner, to the Zapatist National Liberation Army (EZLN) General Command dated 15 April; from the "ACIR Radio News" newscast]

[Text] The Office of the Chiapas Peace and Reconciliation Commissioner issued the following communique a few minutes ago, addressed to the EZLN General Command. I am going to read the whole communique. It is a bit long, but you should be informed in detail.

Just when progress is being made, the communique states, to facilitate a return to dialogue, to the negotiations aimed at finding a political solution to the situation in Chiapas, the regrettable attack on the military checkpoint on the road to Chicoasen has been carried out.

The message of concordance with facts [mensaje de concordia con hechos] of the past few days are:
1. The three branches of the Chiapas government, Manuel Camacho says, have given clear signs they are preparing the Chiapas State's response to the commitments for a worthy peace in the established terms and within the scheduled calendar of events. This paves the way for in-depth institutional changes that will provide answers to the problems you have presented.

I repeat, this is the communique Manuel Camacho Solis sent to the EZLN General Command.
2. The National Human Rights Commission has recommended to the attorney general of the republic the charges against 16 of the 21 people being held at the Cerro Hueco Jail for their alleged participation in the early January 1994 incidents be dropped. Juan Carlos Santoyo reported on this yesterday.

The third point in Manuel Camacho's communique to the EZLN states:
3. The Chiapas government and the indigenous and peasant organizations that form the COIC [expansion unknown], signed a very important commitment yesterday to suspend all illegal occupation of lands and to study the situation of each property until a fair and satisfactory solution for all parties involved is reached.
4. The Mexican Bishop's Conference has called on the mediator, commissioner, and the EZLN to immediately resume the dialogue.
5. Prominent citizens who are committed to peace and involved in nongovernmental and human rights organizations are demanding the resumption of dialogue as soon as possible.
6. In the past few hours additional efforts to reach agreements have been made in the hopes of finding a quick solution to the problem of those who were recently expelled from (San Juan Chamula).
7. The Mexican Army has strictly abided by its commitment to a cease-fire and has done all it has been asked to do to strengthen the political solution to the problem.

In conclusion, Manuel Camacho Solis' communique states: We are keeping our word. Once again a strategy of messages of concordance with facts is being drafted to facilitate the return to the dialogue and negotiation. In this context, Camacho Solis adds in this communique to the EZLN it is very important that the EZLN clearly state its position regarding this morning's incident. Camacho is obviously referring to the incident that occurred just outside Tuxtla Gutierrez [words indistinct]. The Mexican Army, Camacho added, is still determined to cease all fire. This commissioner respectfully suggests:

Within the current political situation, and after the decisions I have mentioned have been made, it is highly recommended you issue a statement that will leave no doubts on the EZLN's position in light of the attack on the military checkpoint. This is necessary, but I do not believe it is enough. What the people are demanding is the resumption of dialogue and negotiations to find a political solution to the conflict, Manuel Camacho states.

Camacho concludes by stating: Despite the risk all of this represents, and even in light of a possible provocation, your decision favoring a dialogue will be a clear sign of your willingness to find a political solution and a worthy peace in Chiapas.

[Signed] Sincerely yours,
Commissioner Manuel Camacho Solis
[Date] 15 April 1994.

EZLN Denies Involvement

PA1604191594 Madrid EFE in Spanish 1814 GMT 16 Apr 94

[Text] Mexico City, 16 Apr (EFE)—The Zapatista National Liberation Army [EZLN] said it has no involvement in the attack on an Army post, which took place in Tuxtla Gutierrez, Chiapas State, in southeastern Mexico, on Friday. In a communique sent to the media, EZLN leader "Subcommander Marcos" indicated that the EZLN has no military position at all or troops in the area where the attack took place.

Unidentified persons early Friday morning attacked an Army post in the town of Chicoasen, some 8 km from the Chiapas State capital, in which a sergeant was killed. "The EZLN does not have good weapons or sufficient vehicles, but it does have military honor and its word; the EZLN promised, if it is not attacked, not to carry out offensive military operations against federal troops or their positions," the communique stated.

The rebel group reiterated its commitment to respect the cease-fire and promised not to carry out offensive military actions against government forces in the entire national territory under the conditions set forth on 12 January when the truce was accepted. Marcos reiterated the guerrillas' commitment to continue working for a dialogue in search of peace with justice and dignity. He added that the EZLN is waiting for the reestablishment of the proper conditions to resume the dialogue with the government.

The EZLN rose up in arms on 1 January to demand social justice for the Indians, and their clashes with the government forces lasted until 12 January, when a cease-fire was decreed by both sides.

Mediator Announces EZLN Ready To Resume Talks

PA1704045694 Paris AFP in Spanish 0415 GMT 17 Apr 94

[Text] San Cristobal de las Casas, Mexico, 16 Apr (AFP)—Samuel Ruiz, the bishop of San Cristobal de las Casas bishop, today announced that the Zapatista National Liberation Army (EZLN) has asked him to seek mechanisms leading to a resumption of the dialogue with the government, the first phase of which concluded on 2 March.

At a news conference, Ruiz (the mediator in the dialogue) said he had received "verbal" communication from the EZLN, and he added that it is just "a matter of days" before the resumption of the dialogue would be announced.

On 2 March, the government forwarded several proposals to the EZLN in an effort to end the armed conflict in the Mexican state of Chiapas. At that time, the guerrilla organization began conferring with its grassroots organizations, but the conferences were suspended following the 23 March assassination of presidential candidate Luis Donaldo Colosio.

Ruiz did not rule out the possibility that a renewed dialogue could still fail to result in the signing of a peace agreement, but he added that the new sessions would allow the two sides to review proposals "and, in turn, determine how we might best be able to set out on a firm footing."

Peace Commissioner on Negotiation Strategies

PA1804012594 Monterrey EL NORTE (Foreign Edition) in Spanish 14 Apr 94 pp 2A, 10A

[First of three-part report on interview with Peace and Reconciliation Commissioner Manuel Camacho Solis by special correspondent Miguel Angel Granados Chapas; place and date not given]

[Text] On the eve of issuing a communique for his Zapatist interlocutors, Peace Commissioner Manuel Camacho Solis explained his assessment of the causes of the conflict and outlined the strategies he will employ during the second round of negotiations.

He asked us "not to get bogged down" between the revolutionary and fundamentalist position and the reactionary and controlling position, both of which are understandable. Let us go on and devise the strategies for the second round of negotiations, he said.

"I would like to divide the strategies into three key issues. I believe this division is where the secret of today's peace lies. I also believe this division would bring bountiful results to the rest of the country."

He pointed out that the three key issues will have "instrumental" and "institutional" contents, as well as a "positive change of mind."

The commissioner said that the three issues are essential to achieving peace.

"It is a big mistake to think that we can achieve peace by brandishing rifles. The two parties involved will fail to reach a complete military or political victory. Thus, let us forge a worthy, just, and serious peace," he added.

[Granados] What would the instrumental content be in two of the conditions?

[Camacho] The first one involves avoiding belligerence; that is, to avoid the internationalization of the conflict. I believe this is a cost that Mexico must never pay. Should such a cost mean the division of Mexico, I would reject it, because we have taken care of the country for 150 years; it is the only legacy we have.

We cannot allow the dynamics of the conflict to lead to eventual U.S. intervention in our domestic conflicts and direct control over the Mexican political process.

This is a limitation. The other limitation is that we must look at the arms issue responsibly. No insurgent army can be disarmed overnight. Disarmament processes take years and must be guaranteed.

It is very clear to me that there cannot be peaceful conditions should the arms buildup increase in the region controlled by the EZLN [Zapatist National Liberation Front].

This cannot happen. Such instrumental guarantees must prevail to achieve peace. Should there be more arms or should we internationalize the conflict, peace would not be possible in Chiapas. Therefore, peace would not be possible in the rest of the country, thereby bringing more consequences.

Here is where we begin. It is nothing more than taking into account concerns and establishing a framework of guarantees acceptable to everyone.

[Granados] How do you define change of mind?

[Camacho] It is a change of mind for everybody; that is, a change of mind for all of us directly involved in the conflict.

In other words, if discriminating against Indians is one of the factors that worsened this conflict, then people who discriminate against Indians must change their minds as a condition for establishing peace.

A change of attitude, behavior, and values with regard to the government's relations with Indian communities is needed; however, these cultural changes take too much time. Therefore, we need institutional changes.

Institutional changes fail to change minds completely, but they uncover opportunities quickly and guide things in a new direction. This is the new framework for the construction of peace.

[Granados] Can you tell us about your participation in the negotiations?

[Camacho] We proposed that the agenda for the peace and reconciliation talks that are to be held in San Cristobal de las Casas be limited to the subjects of Chiapas and the Indians. The EZLN people wanted very much to include on the agenda election subjects, changes in the IFE [Federal Electoral Institute], a special term to guarantee an impartial election, and nonexclusive governmental control of the country's electoral structure. We found a practical, common sense, and efficient solution. We did not make it into a decision-dependent subject. We gave it a political solution because that is what mattered. There was great concern here, because we in Chiapas talked about the desirability of a special term, a political reform, a change in the IFE, and citizens' participation in the IFE. We did not want to intervene in congressional decisions. We were endorsing the agreement for peace, justice, and democracy that the political parties and the candidates had signed, all of which appears right to me. We took into consideration what had been done at the chamber, but we also were making a commitment to one of the political options that would facilitate finding a solution to the current Chiapas conflict.

[Granados] Was there a personal position?

[Camacho] Yes. That was the advantage of having a commissioner. I was not speaking as a secretary of state, but in my own name. I was a representative of the president and therefore had to be very careful. But that was all.

[Granados] Is there a similar framework in the institution? Is there a limit that the president of the republic has set or that has been suggested to him by his own perception of the matter?

[Camacho] Our proposal was a response to a sort of petition. This petition, however, was not a sleight of hand or something we drafted while writing on our knees. Through this response, we extracted everything possible from the fragile balance of the economy and the country's constitutional order. It was a big response to a very big demand. From this viewpoint, the room for additional subjects is limited. I also think, however, that it would be a very serious error to say that everything has been said. Rather than entering a second negotiation, which would lead nowhere because it would create additional conflicts everywhere, conflicts that would have prevented the most important point from being complied with, the important thing is for us to regard what we have proposed as a beginning. These are actions that would be carried out anyway, because the response is fair. It is the government's duty to meet the new terms. But that is a beginning. Whether or not additional responses can be constructed in due time and proper political conditions cannot be decided at present. This is to say, the question of whether or not there can be an additional Constitution reform cannot be settled on a short-term basis, such as by June 1994.

[Granados] How can the rest of the country, where there is dissatisfaction, be told: Be patient; do not rise up in arms; we are solving this problem? The Chiapas people did rise up in arms and required answers.

[Camacho] I do not think they will take up arms. People do not rise up in arms just like that. There are people who speak of taking up arms. This decision, however, is a complex one, and requires a long time and organization. I think we should not fall for either the threat that someone will take up arms or the shortsightedness of a government asking people to be patient.

Zedillo Interviewed on Childhood, Family Life

PA1804033294

[Editorial report] Mexico City Canal 13 Television Azteca Network in Spanish at 0207 GMT on 18 April broadcasts the "Elections 94" program, which consists of a recorded studio interview with Ernesto Zedillo Ponce de Leon, the presidential candidate for the Mexican Institutional Revolutionary Party, PRI, by Marisa Escribano.

The interview begins with a discussion of Zedillo's childhood. When asked what motivates him, Zedillo says serving Mexico.

At 0222 GMT Escribano says the country is experiencing some hard times. She asks how can they face the problems. Zedillo says they must remain calm and resort to the values that have given the country strength. Escribano notes the economy is on the right path, but there is still much unemployment. Zedillo responds: "I have pointed out again and again that unemployment is one of Mexico's most serious problems at present. Let me tell you that I have mentioned Mexico's four big problems. The first one, which I mentioned earlier, is insecurity and injustice, followed by unemployment, insufficient wages, and poverty and inequality. From my point of view, we have to attack these four problems on several fronts and simultaneously. We must have greater justice in our country. Why greater justice? What does it have to do with unemployment? We want to have a growing economy, one which creates jobs with plenty of productive investment."

He goes on to say that the country must make an effort to train its workers, improve the infrastructure, and work on the social policy.

At 0235 GMT Escribano asks whether the economic adjustment measures now need to be relaxed. Zedillo answers: "I believe conditions to stabilize the economy are essential to promote development that will benefit most Mexicans. You are right; I have heard people say that fighting inflation should not be so important. These people seem to forget that inflation affects the poorest Mexicans the most. The largest decrease in real salaries, in terms of purchasing power, occurred at the time when inflation reached the highest levels: the 1970's and

1980's. I believe having a healthy, balanced, and low-inflation economy is essential, but it is insufficient to generate widespread prosperity."

The interview then moves on to the topic of education, about which Zedillo says the education system needs to be flexible, the opinions of teachers must be taken into account, and the bureaucracy must be reduced.

At 0245 GMT they begin to discuss what type of father he is for his children and how he will balance his role as a father with that of being president. Escribano then asks how Zedillo views the future of Mexico. He says: "I look at Mexico's future with great optimism. As I said before, I look at it with great hope. Our problems are big, but our potential and determination as a country to confront these problems are great. I think there are solutions to our problems. I think that, historically speaking, the Mexican people have proven to possess an enormous capability to meet challenges even bigger than those we face at present. I envision Mexico at the end of this century or at the beginning of the next one as a strong and united nation, with an expanding economy, whose product will be distributed more equitably; a fully sovereign nation with a stronger democracy, as all Mexicans desire, a nation respected in the world."

The final question is on whether he will participate in a debate with the other presidential candidates. Zedillo says he wants to debate the other candidates and is convinced the debate must take place.

The interview and program end at 0255 GMT.

Pentagon Budget Viewed as 'Meddling' in Internal Affairs

PA1604233194 Monterrey EL NORTE (Foreign Edition) in Spanish 14 Apr 94 p 20A

[Text] Mexico City—Presidential candidates, legislators from the various political parties, and political leaders yesterday expressed annoyance over what they considered U.S. meddling in Mexico's problems. This is because democratization and respect for human rights in Mexico appear to comprise a primary concern in the 1995 U.S. defense budget.

Labor Party presidential candidate Cecilia Soto said yesterday that the Pentagon's explicit concern for Mexico's democratization and respect for human rights, as outlined in its 1995 budget, represents an erroneous position.

She said: "It is a completely erroneous position. If any country has shown the world it has violated human rights, it is the United States. Rodney King's case and frequent abuses incurred by Mexican illegal aliens are clear examples of this." She also stressed that human rights violations in Mexico do not pose a security threat to the United States.

Mexican Green Party candidate Jorge Gonzalez Torres said the Pentagon's budget blueprint could be a prelude or a justification for military intervention. He said: "The fact that they are discussing Mexico's lack of democracy might indicate that they are preparing a military intervention."

Gonzalez Torres also said the document serves as a means of softening public opinion for possible intervention in the event that Mexico becomes increasingly unstable. He added, however, that the Pentagon cannot legitimately give an opinion on these issues because the Pentagon is strictly a military organization that has a history of interventionism.

Gonzalez Torres described the fact that Mexican soldiers are training in the United States as "suspicious," because a corps could be trained for a possible "coup d'etat." He said, "They could be preparing an Army corps for a possible coup d'etat—a corps that could seize control." He added that the U.S. position fails to take into account the Mexican people's needs and the abject poverty being experienced in the countryside.

Popular Socialist Party presidential candidate Marcela Lombardo Otero said yesterday that the Pentagon's training of Mexican troops is a threat to the country's sovereignty and harms the Mexican Army's patriotic, nationalistic, and popular ideology.

Lombardo Otero contended the Pentagon is giving military advice because the U.S. Government wants to meddle in Mexico's internal affairs through any means possible. Moreover, she said, this kind of interaction distorts the perception that the Army is serving as a patriotic and nationalistic entity that traditionally has maintained a great sense of obligation to the community.

"This presents tremendous danger to Mexico, particularly because this nationalistic and popular Army that we have is in charge of national security," she said.

Meanwhile, Hector Delgado, speaking on behalf of the Cardenist Front for National Reconstruction Party, said it is all right for the Mexican Army to be trained by the Pentagon, provided that this training does not undermine the country's sovereignty.

"It is good that Army troops train in other places to acquire greater skills and learn different things," he said. "There are Mexicans who are in training programs sponsored by the Inter-American Development Bank and GATT, and, therefore, it is not bad for people to train," Delgado said.

He said that despite the benefits of having the Army train in the United States, precise limits and restrictions should be established on this kind of training to prevent Mexican soldiers' integrity or national sovereignty from being undermined.

PRI [Institutional Revolutionary Party], PAN [National Action Party], and PRD [Party of the Democratic Revolution] deputies all have described the Pentagon's position as meddlesome.

Costa Rica

Extradition of Former U.S. State Senator Viewed

PA1704235894 Panama City ACAN in Spanish 2043 GMT 17 Apr 94

[Text] San Jose, 17 Apr (ACAN-EFE)—The Costa Rican justice system gave Paul Carpenter, the former Democratic senator from California, 20 days to present evidence in his defense before resolving a U.S. Government extradition request against him for alleged bribery and misuse of funds.

Carpenter was arrested last Thursday by Costa Rican Judicial Investigation Agency (OIJ) officials in a neighborhood in northern San Jose at the request of U.S. judicial officials. The former U.S. senator, located by Interpol (International Police) and the Costa Rican OIJ, has been under an arrest warrant since he fled his country last February to avoid a seven-year prison sentence imposed by a district court in Sacramento, California.

Carpenter is accused of alleged bribery and misuse of funds in a political campaign, illegal financial transactions, and obstruction of justice.

Carpenter said in San Jose, "I came to Costa Rica to die," in an interview granted to the newspaper THE SACRAMENTO BEE from his San Jose prison, where he has been held under arrest since Thursday awaiting an extradition resolution being handled by the Higher Criminal Court in San Jose.

The former politician is suffering from advanced prostate cancer, and he made it known to the Sacramento court in a letter he sent a few days before escaping to Costa Rica, where he entered with a safe-conduct and not with a passport, according to police reports.

Carpenter has insisted in Costa Rica that he is "innocent" and says he is a victim of the FBI. It has been learned in San Jose that a Sacramento investigation of corruption led to an accusation against the former congressman and his Democratic assistants Alan Robbins and Clay Jackson, alleged masterminds of a complicated bribery plan to finance his political campaign. Carpenter was a Democratic state senator from 1976 to 1986.

"I never broke the law, I am a victim of political ambition, the lawyers, and the FBI," he said. He said he believes he will win the process begun in Costa Rica, where he expects to live until his death.

El Salvador

Forensic Chief Ordered Silent on U.S. Case

PA1504230994 San Salvador DIARIO LATINO in Spanish 14 Apr 94 p 24

[Text] First Criminal Judge Luis Antonio Villeda today instructed Forensic Institute Director Dr. Juan Mateu Llort to refrain from making any statements on the death of U.S. adviser Julio Ramon Rivera, particularly regarding the toxicological test which showed the U.S. officer was on drugs.

With several journalists present, Llort said that, due to Villeda's orders, he could not make any remarks but that he "trusted God and the judge" that everything would come out right for the sake of the Forensic Institute's prestige.

The judge made this request "so as not to hamper the investigations" into the death of the officer, who was killed by the explosion of a hand grenade, the safety pin of which he pulled, saying it was a toy grenade. The incident took place at the police station in Zacamil. Forensic Institute adviser Martin Santos has said: "We abide by and obey our laws. We at the Forensic Institute will never be belittled by anyone. Our analyses are scientific and not biased in favor of anyone. For this reason, it will be the criminal judge who will decide who is telling the truth." Santos stressed the fact the order to keep silent originated with the judge, who surely knows why "the investigations should not be hampered."

U.S. Ambassador Alan Flanigan has told the Salvadoran news media the institute's tests were false and that Jose Maria Monterrey, National Civilian Police director, would report on the case today or tomorrow.

When the ambassador's position was announced, the press sought out Dr. Llort, but he replied he must refrain from reporting on the situation on the judge's instructions. It has been reported the judge will study the institute's tests and those carried out by the U.S. Government before making a statement. Llort finally said: The prestige and reliability of the institute's work has been released to the local news media. I trust God and the judge all will come out right.

The reporters appeared to have been taken by surprise this morning by the turn of events regarding Rivera's death, because Ambassador Flanigan himself has announced Police Director Monterrey would make a statement with additional details.

FMLN Coordinator on U.S. Request To Withhold Aid

PA1604123394 San Salvador Canal Doce Television in Spanish 0300 GMT 16 Apr 94

[From the "Up to Date" newscast]

[Text] Shafiq Handal, general coordinator of the FMLN [Farabundo Marti National Liberation Movement], has termed as logical a U.S. congressmen's request that President Bill Clinton withhold economic aid from El Salvador as long as the Salvadoran Government does not progress in its democratic reforms. Handal has said there is international frustration over both the government's failure to comply with certain peace agreements and irregularities observed in past elections.

Handal said the congressman's request to President Clinton shows the international community's interest in the establishment of a democratic system in the country based on the peace agreements.

[Begin Handal recording] Just as the congressman says, there is frustration over the progress of democracy in El Salvador. I think the congressman is right and is defend the right of the people who were unable to vote. [end recording]

The congressman has said that progress with democratic reform is not in sight, because the government is unconcerned with fulfilling the Chapultepec Agreements.

[Begin Handal recording] I think it will be impossible to carry out the necessary reforms before 24 April so that the electoral system may become democratic. A radical, in-depth change in the electoral system is necessary. [end recording]

At the Civic Plaza on 15 April, Handal participated in the closure of the political campaign prior to the 24 April runoff elections. The activity was marred somewhat when an alleged Arena [Nationalist Republican Alliance] activist was caught trying to create disturbances. Several FMLN activists captured and beat him and finally handed him over to ONUSAL [UN Mission to El Salvador].

Cristiani Meets Costa Rican President-Elect

PA1504142994 San Salvador TCS Television Network in Spanish 1900 GMT 12 Apr 94

[Report from "El Salvador Telepress" newscast]

[Text] Costa Rican President-elect Jose Maria Figueres visited our country for three hours and met with President Alfredo Cristiani. Mr. Jose Maria Figueres said that in this country the Central American integration process is considered truly necessary for regional development. He arrived in our country to meet with President Alfredo Cristiani following a 15-hour visit to Honduras. Upon his arrival, Mr. Figueres was welcomed by the leader at the presidential residence, where they met behind closed doors.

Accompanied by Foreign Minister-designate Fernando Naranjo and Economics Minister-designate Marcos Vargas, the future Costa Rican president and President Cristiani discussed the marketing of coffee and bananas, two products extremely important for the region. They also viewed their countries' possible entry into NAFTA, signed by Mexico, the United States, and Canada. Mr. Figueres also invited President Cristiani to visit Costa Rica on 8 May for his presidential inauguration. After his three-hour visit to El Salvador, Figueres left for Guatemala, where he is scheduled to meet with Guatemalan President Ramiro de Leon Carpio. He plans to end his tour in Guatemala.

Roundup of Electoral Developments

PA1604191294

[Editorial Report] The following is a compilation of reports on developments related to the run-off in the Salvadoran presidential elections scheduled for 24 April 1994.

Armando Calderon Sol and Enrique Borgo Bustamente, presidential and vice presidential candidates, respectively, for the Nationalist Republican Alliance, ARENA, campaigned over the past weekend in Sonsonate, Santa Ana, San Vicente, and Sensuntepeque. In Sonsonate Calderon Sol said that he wants to win the run-off elections convincingly. He stated that "the people must categorically show their disagreement with leftist ideas." The candidate pointed out that he will continue to develop the national reconstruction strategy and work for the establishment of a state of law to generate trust in and respect for the country's legal system. Calderon Sol praised the "political maturity" of parties that will not be in the run-off elections, but will support ARENA. Meanwhile, Borgo Bustamente said that ARENA did not win the elections in the first round due to "a legal technicality," and not because of lack of voter support. (San Salvador LA PRENSA GRAFICA in Spanish 11 Apr 94 p 5)

Ruben Zamora, presidential candidate for the Farabundo Marti National Liberation Front-Democratic Convergence Coalition, met over the past weekend with groups that pledged support to his coalition in the run-off elections. He held meetings in the Municipalities of Ciudad Delgado, Mejicanos, Apopa, Ilopango, and Soyapango, in San Salvador Department. Zamora added that he has met with leaders of the Christian Democratic Party and Unity Movement, but those parties decided to let their members vote for whomever they wish. The candidate denied that fellow party members voiced support for ARENA publicly, quite the contrary, the coalition has identified "a natural increase in the number of followers coming from parties that oppose ARENA." Zamora and his vice presidential candidate Francisco Lima will make public appearances next weekend in Santa Ana, San Salvador, Santa Tecla, and San Miguel to close their campaign. (San Salvador LA PRENSA GRAFICA in Spanish 11 Apr 94 p 5)

Guatemala

Kidnapped U.S. Girl Released; 4 Arrested

PA1604000494 Guatemala City Teleonce Television in Spanish 1900 GMT 15 Apr 94

[News conference by Government Minister Danilo Estuardo Parinello and U.S. citizens Mr. and Mrs. Rosse. with unidentified reporters on the release of U.S. kidnappee Georgina Rosse Robyn; place and date not given; from the "Telepress" newscast—recorded]

[Text] [Parinello] At this moment, as thank God Georgina is back with her family, I would like to remind the people of what the president of the Republic said on 11 April. At that time the president ordered and asked for the support of all the security forces, the Army, as well as the police, to help bring calm to the Guatemalan people.

The fact the child is back at home with her parents is the result of the work of all the Guatemalan security forces at all levels, at midlevel and top-level. I am talking about the operation and the strategy that was developed. It is important for you to know this is the result of the first phase of the joint operations we are conducting.

The Army's patrolling the outskirts of the city has forced the bands of criminals to move their hiding places. This move helped the police, supported by military intelligence and all the Guatemalan security forces, find the group that was holding Georgina, return her safe and sound, without the payment of a ransom, and bring this incident to a happy conclusion.

I would like to add the honest people's cooperation played a vital role in this case. We got information from neighbors and people who observed strange or dangerous comings and goings. This contributed to the return of happiness to a family. The family is together again today, thank God.

In conclusion, I would like to inform the local press, and, through you, the Guatemalan people, this is the result we expected. Many times the amount of disclosed information is limited, because we do not want the criminals to know what we are doing. We can talk about it today, because the outcome was a happy one. We ask for your understanding and cooperation.

Mr. and Mrs. Rosse and their two daughters are now together; they are safe. The president of the Republic, who has been in constant contact with us, is very pleased with the outcome. I am also very pleased with the outcome, as are all of those who were closely following this case.

I would like to reiterate my appreciation for the support we received from military intelligence and the police. They were the ones who rescued Georgina.

[Reporter] How many people were arrested, and what are their names?

[Parinello] Four men were arrested, and their names will be disclosed at the appropriate time by the police deputy director, who was responsible for the operation.

[Reporter] [Words indistinct] state security force?

[Parinello] Negative.

[Reporter] [Words indistinct]

[Parinello] According to the Penal Code there is no death penalty for this crime, but if it were up to me, I would request the death penalty for kidnappers.

[Reporter] Are you going to request the death penalty?

[Parinello] I have to do what I was appointed to do. This will be a matter the court will handle. The court will decide what will happen to those criminals. The criminals are now in the hands of court authorities.

[Reporter] [Words indistinct] the girl was rescued?

[Parinello] Pardon me?

[Reporter] How was the rescue conducted?

[Parinello] The police director will provide the details of the rescue. At this time, the child's parents have only authorized me to show you the child. She is safe and sound, and let's respect the difficult times they experienced as well as the happiness of being united once again. The details will be disclosed shortly.

[Reporter] [Words indistinct] at the National Palace you were going to [words indistinct] Epaminondas. Can you tell us something about [words indistinct]?

[Parinello] That is not the topic [words indistinct].

[Reporter] How is the child?

[Parinello] The doctor who saw her said she is fine. She is a bit dehydrated. Her parents are here if you would like to ask them.

[Reporter] When did you start fearing for the child's life?

[Rosse] From the very beginning.

[Reporter] What did you [words indistinct]?

[Rosse] All I want to say is thank God she is fine, and I wish crime in Guatemala could be eradicated.

[Reporter] [Words indistinct]

[Rosse] [Words indistinct]

[Reporter] Was contact made?

[Rosse] There is nothing to say; nothing, nothing.

[Reporter] Will you stay in Guatemala?

[Rosse] Yes.

[Reporter] Will the child stay in Guatemala?

[Rosse] Why not? Everything is fine. Thank God the police did a great job, and I hope there will be changes in Guatemala.

[Reporter] [Words indistinct]

[Rosse] I do not know.

[Reporter] Had you been threatened before?

[Rosse] No.

[Reporter] What can you tell us?

[Mrs. Rosse] That I am very happy. I am very happy to have my baby back.

[Reporter] How is the child?

[Mrs. Rosse] A bit thin, but we can take care of that.

[Reporter] How was she treated?

[Mrs. Rosse] She said she was treated well.

[Reporter] Did the kidnappers contact you?

[Mrs. Rosse] Never.

[Reporter] Never? Did they [words indistinct]

[Mrs. Rosse] No.

[Reporter] What do you think of the work the police did?

[Mrs. Rosse] The Army and police did a very good job.

[Rosse] They did a very good job, and I would like to add something that is true. We did not have to pay a single centavo. I have been here in Guatemala for [words indistinct], and I have seen—please excuse my word—[words indistinct] and what they did was just great. The police and Army [words indistinct] the United States. I am very pleased and happy the situation was resolved. The truth is I did not pay a single centavo.

[Reporter] Will the child's family now be protected?

[Parinello] We will do our duty. Perhaps we can meet and talk at another time. Let's allow the family to leave. The most important information has been released.

President Receives Costa Rican President-Elect

PA1604045194 Guatemala City SIGLO VEINTIUNO in Spanish 13 Apr 94 p 5

[Text] Costa Rican President-Elect Jose Maria Figueres was received yesterday at the presidential house by President Ramiro de Leon Carpio. The two men held a private meeting before attending a dinner hosted by the Guatemalan president.

The two presidents also held a news conference in the Maya Room surrounded by their highest-ranking officials, including the foreign, finance, and commerce ministers of the two countries. Figueres announced his government's decision to improve political, trade, and economic relations with Guatemala.

The visitor insisted on praising the peace process and voicing his support for the process which, he said, is led by President de Leon Carpio. He also said he respects Guatemala's internal affairs.

He also talked about subjects of special interest—such as coffee, bananas, and exports to the European Union—and the challenge that the free trade agreement represents for Central America. However, he said the most important thing at this moment is the country's efforts to achieve peace, and he argued that economic and social matters were useless without peace.

Figueres ended by referring to the possibility that Costa Ricans will join the Central American Parliament, but he said he respects those people in his country who oppose joining the organization. He stressed that a debate on this issue is not imperative at this time, only discussions about more urgent and positive issues.

Holds News Conference

PA1604002894 Guatemala City Teleonce Television in Spanish 1900 GMT 12 Apr 94

[Report on news conference by President Ramiro de Leon Carpio, following a meeting with Costa Rican President-elect Jose Maria Figueres, with unidentified domestic and foreign reporters in Guatemala City on 12 April; from the "Telepress" newscast]

[Text] President Ramiro de Leon Carpio on 12 April flatly denied a media report about his alleged secret agreement with deputies to ensure that they will extend their terms in the National Congress until January 1996. De Leon Carpio held a news conference after meeting with Costa Rican President-elect Jose Maria Figueres. De Leon talked about the Supreme Electoral Tribunal [TSE] decision to hold elections to choose a new Congress on 14 August. This new Congress will function until January 1996. He pointed out that he will ask the magazine that published the report on the alleged secret pact to explain its article.

[Begin recording] [De Leon, in progress] ...is false. As for the first question, through the Public Relations Secretariat of the Presidency, we denied the report and asked the magazine that published it to offer an explanation in its next issue. We have sent the media our explanation that this report lacks integrity. In addition, the report mentioned the Army, as well as Christian Democrat Alfonso Cabrera. I flatly deny this. I have not met with him. If I had, I would admit it. I have no reasons to hide it. I repeat, it is untrue that I met with him; it is untrue there was such a pact.

[Reporter] The TSE today decided to hold congressional elections on 14 August. What is your opinion on this decision?

[De Leon] Imagine the great pleasure that is overcoming me, because it pleases me to say this in front of the Costa Rican president-elect and his distinguished delegation, which represent Central American democracy. Costa Ricans have upheld democracy for so many years. There were times when Costa Rica was the only democratic country in the region. We Guatemalans admire, commend, and—I admit it—even envy them. If there is something we lack, it is their democratic system and the respect for human rights that has ennobled Costa Ricans and their country.

I say this because today is a very special day. The TSE called elections as a result of a popular consultation. Regardless of the number of citizens who participated in the electoral process and regardless of abstentionism, the people chose to follow this path, the most difficult path. It is worth recognizing that Guatemala is following the most difficult, yet democratic and constitutional, path. A few months ago, when institutional and constitutional order broke down, the Guatemalan people requested that the three governmental branches be purged. The executive branch acquiesced when I arrived at the Presidency. It is still acquiescing, but it asked and demanded the purging of the other two branches.

Unlike what was done and is being done in other countries in which illegal channels are being used, we are resorting to democratic ways until we fully comply with the people's determination. People won a great battle: They will have a new legislative organization—namely, a new Congress democratically elected by the Guatemalan people. They will also have a new court of justice. The TSE's decision to hold congressional elections strengthens all of these achievements, which, along with the new constitutional reforms that have gone into effect as the result of the desirable mechanism of popular elections, undoubtedly make me unable to hide my great pleasure, because, as Costa Rica found out many years ago, we are also finding that democratic path, the path of respecting the Guatemalan people. I believe the Guatemalan people are beginning to know, defend, and love the democratic system for the first time. They showed this love by defending it in May of last year.

I have not been asked to say this, but I am going to say it anyway. It is a great honor and pleasure for me to meet with the president-elect of our sister nation of Costa Rica, Jose Maria Figueres, because he is a great symbol for us. I repeat, meeting with President-elect Figueres and his honorable delegation is a great pleasure for all Guatemalans, because they represent a truly democratic system.

As I said before, if there was something we Guatemalans had, it was the lack of democracy. We have never, or almost never, lived in democracy. On the contrary, our history is plagued with all types of dictatorships—civilian, military, personal, collective, open, blatant, and sometimes underhanded. Dictatorships, coups d'etats, and electoral fraud plague our history. I say this before Costa Rica, which has implemented a different system—a system of accepting the results of the Costa Ricans' political resolve. By meeting with Figueres today, we are greatly pleased, because we feel we are following the same path.

We are emulating them, and we are advancing toward that democratic path they started traveling so many years ago. Additionally, the good relations between both presidents—one a president-elect and the other an incumbent—are satisfying to the Guatemalan Government and the Guatemalan people. This underscores the excellent relations not only between Costa Rica and Guatemala, but those relations at the Central American level as well.

President-elect Figueres just said Central American economic integration will be further strengthened. This is our intention. He also referred to our plans concerning NAFTA and a series of issues and objectives that are of common interest to Costa Rica and Guatemala, as well as to all Central American countries. Therefore, I reiterate before the domestic and foreign press that you, Mr. Costa Rican President-Elect, are welcome in this country, which is struggling to find the democratic path you found so many years ago.

[Reporter] Mr. President, after you stated last night in your message that some countries have opposed [words indistinct] to provide the equipment needed to [words indistinct]. What countries were you referring to specifically?

[De Leon] Well, I would say—as I said last night in my message to the nation—it is ironic that today, when there is a president who respects human rights and who is striving to respect human rights and to attain peace, thereby achieving respect for individual rights, there appear problems, obstacles, and stumbling blocks from some countries that are demanding that our civilian military forces be demilitarized. In light of our work plan, as we attempt to devise ways to fight poverty and achieve respect for economic, social, and cultural rights, it is ironic that such obstacles be presented.

Nevertheless, when we ask for equipment or support [words indistinct] I am not going to answer your question in full, because I prefer that the representatives [one-second reception break] who have heard this report by the people of Guatemala, through their president, reconsider it and note the irony of this. At this moment, we need to strengthen civilian security forces. To this end, however, we undoubtedly need the aid these countries offer to other countries. [end recording]

Honduras

Deputy Alvarado Kidnapped, Released by 'Los Cinchoneros'

PA1604044994 Tegucigalpa Voz de Honduras Network in Spanish 1627 GMT 14 Apr 94

[Statement by police spokesman Major Cesar Augusto Somoza on the kidnapping of Deputy Adolfo Alvarado in Olancho Department; place and date not given—live or recorded]

[Text] According to our reports, Alfonso Alvarado was kidnapped in San Esteban at 0800 today by three people who reportedly wanted to do business with him. His butler, who was with Alvarado, left them alone so they could talk. After 20 minutes, the butler discovered Alvarado had been kidnapped. The kidnappers left a note, which Alvarado's relatives took to Olancho Regional Commander Lt. Col. Medrano. In the note, members of an armed group known as Los Cinchoneros informed Mrs. Alvarado that they were foreigners and were demanding a 1.5 million lempiras ransom, otherwise her husband would be executed. The kidnappers drove a red Hilux pickup. The note also said that the ransom money should be dropped at a lumber mill near San Pedro Sula at 1630 local on Saturday, and that Mr. Alvarado would be released at Aguacaliente at 1600 on Sunday. The note stipulated that neither the police, the Army, nor another country should be told about the kidnapping and that counterfeit or marked money should not be delivered. The note was signed by a rural commando that fights on behalf of exploited people.

[Panama City ACAN in Spanish at 0016 GMT on 16 April transmits a 30-word Tegucigalpa datelined report that says: "Deputy Adolfo Alvarado Lara, who was kidnapped on Thursday, was released today, Friday, 15 April, and is now at the military garrison in Trujillo, a Caribbean region in Honduras, the politician's wife, Lidia de Alvarado, has announced."]

Nicaragua

Army Agrees to Joint Operations With Honduras

PA1604010994 Managua BARRICADA in Spanish 12 Apr 94 pp 1, 3

[Report by Alfonso Malespin Jiron]

[Text] The armies of Nicaragua and Honduras have agreed to conduct "small, joint operations" at the border in which 3,000 men will participate up to the company level, "without entering each other's territory," to neutralize armed groups that operate on both sides of the border.

"I can neither confirm nor deny if the operation will be directed against the FN 3-80 Northern Front; we will investigate. I prefer to leave it in general terms," Lieutenant Colonel Ricardo Wheelock, spokesman of the Sandinist People's Army, EPS, has said.

Jose Angel Talavera, El Chacal, has denied the military operations are against the FN 3-80, and he said his 250 men who are still armed will demobilize on 15 April. "In addition, the EPS knows the exact location of my men," El Chacal has said in Managua.

Wheelock praised the FN 3-80's demobilization, but in his opinion, he has said that action will not end violence in that area, stressing the EPS will have to fight against the rearmed groups.

"What will permit the disarming of the FN 3-80 will be assigning more funds for the struggle against the rearmed groups," he has said.

This past weekend, General Luis Alonso Discua, Honduran Armed Forces chief, ordered the reinforcement of the border with Nicaragua to repel recontras who are constantly attacking the people in that agricultural and forest area.

EPS Deployment

According to Wheelock, that was the Honduran reply within the framework of existing agreements to a recent clash in which a Honduran NCO and two Nicaraguan rebels, one of whom was recontra Kaliman, were killed.

There will be no movement on the Nicaraguan side, Wheelock has said, because the 1,500 Nicaraguan soldiers were deployed some time ago.

The reasons for this joint operation, the first since 1976, are due to the existence of thousands of weapons on both sides of the border and an alarming increase in crime in an area that was the theater of war: the Honduran former rear guard, and the Nicaraguan northern border.

According to Wheelock, the EPS believes civilians in the northern region have at least 15,000 rifles, which are sold in Honduras at prices that are 20 times higher than in Nicaragua.

The third reason is the existence of arms caches the contras "planted" in Honduran territory, from where its remnants operate. Honduran soldiers have promised to destroy them, Wheelock has said.

According to EPS statistics, last year armed actions in the Nicaraguan countryside caused the death of 48 soldiers, 225 rebels, and 176 civilians. Twelve soldiers, 49 rebels, and 33 civilians have been killed so far this year.

The same statistics give a breakdown of those casualties as follows: 95 EPS members, 602 rearmed, and 397 civilians.

CIAV-OAS Denies Front Rebels Entered Honduras

PA1604023494 Managua LA PRENSA in Spanish 12 Apr 94 p 10

[Report by Roberto Orozco B.]

[Text] The CIAV-OAS [International Commission of Support and Verification-OAS] today ruled out that groups connected to the 3-80 Northern Front entered Honduran territory and engaged in clashes with that country's Army.

Colonel Hernan Seaman, chief of the Honduran Army 9th Infantry Battalion, informed international news agencies that his troops engaged in heavy clashes with groups allegedly connected with the 3-80 Northern Front in the area known as Chilamates, 300 km east of Tegucigalpa. Two rebels and one Honduran soldier, identified as Santos Armando Rodriguez, 21, from the border town of Danli, were killed in this clash.

"There was no confrontation with any group of the 3-80 Northern Front, nor has any member of the 3-80

Northern Front entered Honduran territory," CIAV-OAS Nicaragua Director Sergio Caramagna told LA PRENSA. "All commanders, subcommanders, and commandos of this rebel group are within the security zone," Caramagna added.

LA PRENSA tried to interview Jose Angel Talavera, also known as commander "EL Chacal," chief of the 3-80 Northern Front, but our efforts were fruitless.

"El Chacal" met yesterday with Government Minister Alfredo Mendieta to discuss the problem with the Legislative Branch, which questioned the executive's decision to incorporate members of the 3-80 Northern Front in the police.

The Honduran Army is conducting offensive actions in territory bordering Nicaragua to reduce crimes by criminal armed gangs composed mainly of Nicaraguans who were linked to the Nicaraguan Resistance.

In this regard, Honduran Army Chief General Luis Alonso Discua has ordered reinforcements on the border with Nicaragua and has ordered troops to respond "with strength against rearmed groups entering the neighboring country."

Lieutenant Colonel Ricardo Wheelock, spokesman for the Sandinist People's Army (EPS), told LA PRENSA the two armies have met to coordinate actions that guarantee security in the border areas of both countries. Wheelock termed these actions casual operations at specific locations. However, he announced larger operations will be conducted in the coming weeks.

The Nicaraguan and Honduran armies agreed last month to fight border crime because crime in general has increased in both countries. In Honduras, particularly, gangs of Nicaraguan criminals are violating that country's territory.

"Assaults, rapes, and robberies have increased at an alarming rate in southern Honduras, where another dangerous phenomenon is also occurring: gun-running by civilians who are not connected to gangs of criminals," Wheelock asserted.

"What is happening is that in Honduras weapons are sold at good prices. This prompts Nicaraguans living near the Honduran border to try to sell their weapons left over from the war in that country. There are indirect gun-running activities," the high-ranking military officer remarked.

For Wheelock, the fact the Honduran Army associates criminal actions with groups of the 3-80 Northern Front is not an important detail.

"What concerns us is that there is a tangible manifestation of the crime. We have experienced gangs of criminals who perpetrate their crimes in other parts of the country and identify themselves as members of the 3-80 Northern Front, and this is perhaps not true," Wheelock concluded.

Panama

Candidates Comment on Endara Video Presentation

PA1504154294 Panama City LA PRENSA in Spanish 15 Apr 94 p 2A

[Report by Orlando Mendieta and Lastenia Murillo Munoz]

[Excerpts] Most of the presidential candidates, political leaders, and some authorities expressed some degree of sadness when they saw the video showing the outrages committed against many people by the military dictatorship. The video was aired over a national television network following an introduction by President Guillermo Endara.

Samuel Lewis Galindo, presidential candidate for the Solidarity Party and National Unity Mission (MUN), said the video clips presented by President Endara were directed at the people, so they will remember the past of the PRD [Democratic Revolutionary Party]. "Many of us who suffered those outrages in the past have been forced to enter politics so that the past will never return," Lewis Galindo added. [passage omitted]

Ruben Dario Carles, presidential candidate for the Change '94 ticket, said the video clips broadcast last night "make me want to cry because they remind me of those very sad moments we endured. What we have seen merits deep thought" by the Panamanians, Carles added. Let us hope the Panamanians will understand the fiscal problem that existed, the former comptroller general said, adding: "Now they know the task I undertook, which was to bring order to such a disaster." [passage omitted]

Juan Chevalier, former government and justice minister, said the video showed aspects that must be analyzed—that three political organizations seeking the presidency were linked to acts of corruption, weapons, and a specific style of government. Chevalier emphasized that the video did not lie, adding that everything that was seen was the truth. "What the country needs is the truth," the Arnulfist Party member said.

Former Supreme Court Justice Cesar Quintero said the Constitution prohibits the president from using his office to favor a specific candidate. Quintero said that in his opinion, that is what Endara did with this message to the people last night. The constitutional expert said that Endara's presentation of video clips showing the actions of the ousted military regime was a "political act" and that the president described it as such. "Endara made a political decision and he will be the object of either much criticism or support," Quintero added.

Victoria Figge, president of the Panamanian Association of Business Executives, described as "inopportune"

President Endara's decision to air over a national television network video clips of Noriega's military regime only a few weeks before the 8 May presidential elections.

Change '94 Candidate Comments Further on Video

PA1604012694 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Apr 94

[From the "RPC Television News" newscast]

[Text] Professor Ruben Dario Carles, Change '94 presidential candidate, has said he was moved by President Guillermo Endara's video clips broadcast via national network last night.

[Begin Carles recording] Last night in Chitre, I interrupted two important meetings scheduled with area doctors and teachers. I watched the documentary on television. I confess I was horrified and shocked, and I cried out of shame. What I watched and all Panamanians saw as well was the confirmation of what we all knew: the disaster and corruption of the military dictatorship and their civilian clerks in the PRD [Democratic Revolutionary Party].

It matters little that Mr. Perez Balladares now wants to downplay the presented documents. Panamanians know this is how it happened. The most surprising thing is these individuals who appear in this documentary are Ernesto Perez Balladares' closest aides today in his desire to deceive democracy and return to power.

What we Panamanians heard was disaster, inefficiency, and corruption, which confirm the efforts we made from the Comptroller General's Office to impose fiscal discipline and order in the handling of public property, and funds are what was needed in the face of PRD actions. Events have proved me right, and the Comptroller General's Office was correct.

Today, in the face of the embarrassment that affects not only Panamanians but all citizens of the world, we must think these events can never be repeated. Those individuals who want to distance themselves from these criminal and immoral acts cannot change, because they and their closest allies worked together before and will work together again. We cannot allow ourselves to be deceived.

Civilian and democratic Panamanians who fought together against the military dictatorship and against the PRD and all their corrupt practices should encourage unity among civilian parties to work together and prevent the return of shame and dictatorship. We must work together to find a solution to the problems that afflict Panamanians, especially those that mean poverty and social and economic inequality. This is something we should do together. [end recording]

Presidential Candidates Hold Debate

PA1504163794

[Editorial Report] Panama City Television Networks in Spanish at 0100 GMT on 12 April broadcast a live debate by four Panamanian presidential candidates: Ernesto Perez Balladares of the Revolutionary Democratic Party (PRD), Ruben Dario Carles of the Change '94 coalition, Eduardo Vallarino of the Christian Democratic Party (PDC), and Ruben Blades of the Papa Egoro Movement. The debate, which is being held at the Atlapa Convention Center in Panama City, is sponsored by the Latin American Institute of Advanced Studies (ILDEA) and the Media Presidential Debate Committee, and is moderated by Ricardo Alberto Arias.

Arias begins by saying the debate will focus on four topics: the national economy, the Panama Canal and reverted areas, social and political problems, and the country's present and future. Three television journalists will pose questions to the candidates: Luz Maria Noli of Televisora Nacional, Dora de Reyna of Telemetro Television, and Julio Miller of RPC Television.

The debate gets under way with Noli asking Blades what he plans to do regarding the $3.4 billion in overdue payments the Panamanian Government owes international banks. Blades replies: "One possible answer is this: Nothing, which is exactly what those individuals in charge of negotiations on the foreign debt have been doing. We have a huge problem with the international banks. Under the current circumstances, we have no resources to amortize this debt." Blades continues by saying that, from 1982 to 1992, Latin America disbursed more than $110 billion for a debt that originally amounted to $330 billion and now amounts to $420 billion. He says the nation must concentrate on development when dealing with this "immoral and unpayable debt."

Asked by Noli about Panama's commitment to repaying its foreign debt, Blades replies: "While the Papa Egoro Movement recognizes the debts contracted by the Panamanian state, it also takes into account the need to repay domestic debts, as well as the need to create conditions that will make economic development possible."

Commenting on this same topic, Carles says: "These debts have been incurred by the state and must be repaid, but the various options available must be negotiated with dignity and firmness. I have already said that the current government should stop all negotiations with commercial banks and let the next government resolve this problem."

Vallarino also comments on this issue: "Blades is right to a certain extent, but we cannot ignore the fact that Panama, for its entire commercial life, has been bounded to the international community. Although it was not the Panamanian people who incurred this debt, it was illegally agreed upon, the money has been spent, and we really have to repay it. We should seek rapprochement with the banks and try to utilize the Brady Plan or other options, such as exchanging our debts for environmental guarantees."

When the discussion turns to how the Panamanian Government can meet its social goals in light of the burden of the foreign debt, Perez Balladares says: "Governments can implement their social programs in three ways. One is to levy taxes; another, to secure financing through public debt; the third, by way of savings." He fails to say which of these means he favors.

According to Blades, a government with clearly outlined goals can successfully handle negotiations on the foreign debt. He says, "The problem we have had so far is that we have not been taken seriously."

Next, Dora de Reina asks Carles how he plans to restructure public finances to encourage greater investment. Carles answers: "We must continue to stick to the methods we have been applying for four years, and we must apply them with discipline, seriousness, and honesty."

When asked by Reina which government agencies he would concentrate on to attain his goals, Carles replies people should be required to act in a trustworthy manner. The problem in Panama, he says, is not money, but the way in which money is used. "We must ensure that those funds allocated to public services are returned to the public." Efficiency and willingness to work is the key, he says.

Vallarino says he views investment differently. "The problem of investment in Panama is that investors must be able to trust in the government, and the government must be honest." He adds: "More investments are necessary, particularly from the private sector. This can be engendered by a country that inspires confidence."

When discussing how to operate the government in tight financial times, Perez Balladares says he will encourage reduced public spending, although he admits this is not enough. He adds: "We are inviting the private sector to participate in financing and developing infrastructure works projects. The private and public sectors must work together to achieve national goals."

Blades comments that the country's economic difficulties are artificial because the country possesses natural and human resources. "Panama's economic difficulties are the result of official corruption and the lack of willingness by authorities to develop the country. If we eliminate official corruption and the lack of imagination and willingness, the economic problems will disappear."

Carles says he has been arguing for four years that the problem is not the lack of money but the use of available resources. "We depend very heavily on the private sector."

Miller next asks candidate Vallarino if he thinks the next government should privatize some state enterprises. Vallarino replies: "The next government should privatize everything it can, but we must be careful not to harm workers with large-scale dismissals. Workers should also be allowed to share in the enterprises' ownership." Asked by Miller if obligations with the international financial institutions should be honored in relationship to this privatization, Vallarino replies that he never agreed with the obligations with international banks but that they exist so they must be honored. "Public interest comes first, then the state's interest. Public interest includes the people, families, and the unemployed."

Perez Balladares comments: "The criterion for privatization should be greater social efficiency. I do not believe in privatization for the sake of privatization. I disagree with Mr. Vallarino."

Blades adds that it is risky to privatize strategic national assets such as electric services and telecommunications. "I do not think any enterprise in Panama should be privatized if it would result in large-scale dismissals. If it must be done, we should first try to relocate the workers who would be fired."

Carles argues that international banks should not be cause for too much concern about privatization matters. "We have to privatize services, not institutions. Certain activities of all existing institutions can be privatized to prevent loss, waste, corruption, and inefficiency."

Vallarino concludes: "Privatization must benefit the workers. When I spoke about privatization, I meant all those services that are not monopolies. I disagree with Perez Balladares. Ventures in the 1970's and 1980's impoverished the Panamanian people and have cost many millions that could have been well invested in hospitals, schools, and roads."

Noli then asks candidate Perez Balladares the last question on the national economy. Asked for his position on the money laundering charges made by the United States against Panama, Perez Balladares says: "Aside from cosmetic actions, this government has not taken the steps that should have been taken." He says corporations are chiefly to blame for this illegal activity. "The existing instruments in the banking system are good enough if they are used. All reports on deposits exceeding $10,000 should be fed into a central computer. That would make it possible to see at a glance if companies are making cash deposits that exceed the sales figures reported to the Finance Ministry. Someone should make sure that goods sold in the Colon Free Zone actually leave the area to prevent false sales, which can be used as a method of money laundering."

Blades comments that money laundering is a very particular activity that will be very difficult to eradicate, but certain measures could be taken. He states: "Control over amounts up to $10,000 should be extended to pawn shops and loan companies. I am amused when I hear about smuggling, considering that we have 1,500 miles of coastline and only a few boats. I wonder why the United States and the United Kingdom have not yet ratified the Mutual Legal Assistance Treaty."

Carles says: "I cannot accept the North Americans' drug trafficking accusations against Panama after they issued good conduct certificates to Noriega."

Thus ends the national economy segment.

Regarding the topic of the Canal and the reverted areas, Reyna mentions that some analysts have suggested that the Neutrality Treaty curtails Panama's capability to generate revenues. She asks candidates if they have studied the subject and their opinion on the analysts' statement.

Ruben Blades replies that "although the Treaty does strain our capability to generate revenues, we should not emphasize the aspect of tolls." Blades emphasizes: "The Canal must have a broader function in addition to the simple aspect of toll rates. The Canal must be incorporated into a process of economic development and the creation of an array of services that do not now exist." Asked about an increase in toll rates, Blades argued that Panama cannot implement an increase out of the blue. He added: "I would call for a direct meeting with the United States and the countries that use the Canal most and tell them that we must do something because otherwise the operation, maintenance, and efficient management of the Canal will be at stake. I strongly believe they will be willing to accede to changes in the toll policy."

On the same subject, Carles argues: "From any angle, the Canal is ours and we are the ones who, with good judgment and solid criteria, must decide on changes regarding the toll policy and services." Considering that Panama does not have a monopoly on interoceanic transportation, Panama must examine the effects an increase might have on Panama's competitive capability, he adds.

Vallarino notes that although Article 3 of the Neutrality Treaty poses difficulties to Panama regarding tolls, they are negotiable. Vallarino stresses: "Article 4 sells our sovereignty, and that is why I do not agree with the argument that we should not look back." He says running for president is like applying for the most important and delicate job in the country and says presidential candidates must present their references just like any other job seeker.

Perez Balladares agrees that users must have some input regarding the toll policy. He emphasizes: "What is important is not the revenues generated by tolls but the considerable wealth that the future utilization of areas bordering the Canal could generate."

Blades concludes that increases should be considered only if they are necessary and that all the benefits resulting from the Canal's return to Panama must be invested nationwide.

Miller next asks Carles if he agrees with the structure and functions of the ARI, the Interoceanic Region Authority.

Carles replies that the ARI must be given an opportunity and be pressured to work efficiently and rapidly, because gaining control of the Canal is a blessed opportunity to profit from a geographic situation that is key to the country's development.

Questioned by Miller on how to prevent the ARI and the Canal from becoming a political pinata, Carles says that it happened before during the military period. He adds: "I am optimistic that the ARI will be able to make significant contributions to the country's progress."

Along this line, Vallarino asserts that the ARI is good and that it should draft all its regulations and send them to the National Assembly for approval. Vallarino believes that "to a great extent, the success of ARI depends on who is managing it, and that is the bottom line."

Perez Balladares comments: "First, I believe that ARI decisions must be approved by the president before they are implemented. Second, the ARI board of directors must be broadened to include more sectors of Panamanian society."

Blades states that there are a number of opinions regarding the use of the reverted areas. He claims: "I do have problems with the way the ARI has been drafted because I can see a future conflict between the path the ARI assumes and the path that I, as president, would assume regarding the tapping of the reverted areas."

Noli then asks Vallarino for his opinion on recent polls showing that Panamanians want U.S. bases to stay in Panama. He replies that the Panamanian people are very much afraid of what the government will do with the reverted areas and bases because of the many failures. "Panamanians can put all the reverted areas to good use and create jobs. A project I studied a few days ago would provide between 25 and 50 percent of the jobs presently provided by the U.S. Armed Forces stationed in the Canal Zone." Asked by Noli if he would favor changes regarding the bases, Vallarino replies: "I would show the Panamanian people all the things that can be done with the reverted areas."

Perez Balladares comments: "I think attention has been focused on the wrong issue. The military bases are a military problem, not an economic one. Wherever there are military bases, the two countries involved agree that the presence of those bases benefits them both militarily. In Panama's case, the North Americans have said clearly that they do not want to stay. If they have changed their mind, they should say so."

Blades says the discussion seems like rhetoric. "Panama is better off without foreign military bases. We can reap high profits from the reverted areas and protect our national identity at the same time. An honest government can dispel fears of instability and economic depression." Carles counters by saying: "The national identity was destroyed by Omar Torrijos when he placed us under the Pentagon's umbrella." Vallarino comments that Panama should not offer the national territory for the bases to stay if the U.S. Government itself has said it is not interested. "I am sure that we can turn those bases into an emporium of wealth through honest work for the people's good. The return of the bases can mark the beginning of our great economic growth."

Reyna asks Perez Balladares the last question on the constitutional amendment proposal on the canal, and he says it is not bad. "I would support constitutional reforms regarding the canal administration." As for the possibility of keeping party politics separate from canal affairs, he replies: "The country must make progress between elections and strive for national goals regardless of who governs the country during the five-year term. This is what we intend to do."

Blades says that regardless of what the Constitution says, an honest government is required. Carles adds that the canal is a delicate matter. "The norms introduced in the proposal to amend the Constitution by the commission headed by Vallarino considers the most important subjects in the canal administration. We cannot wait until the year 2000." Vallarino says it is not normal to handle these things through the Constitution, "but considering the corruption we have seen, it is a good idea to include these things in the document to remove them from the influence of politics and nepotism and other forms of corruption in the government." This marks the end of the discussion on the canal and reverted areas and the topic turns to social and political problems.

Miller asks Blades what he will do to solve the Social Security Fund members' complaints about the shortage of medicines and hospital beds. He replies that the Social Security Fund problem is a complex one. "The government owes the fund $828 million in bonds and notes payable. The state has been used to divert funds from certain institutions. In addition, the state has not developed national economic projects. Funds should be redirected to the health sector." Asked by Miller about the current retirement age, Blades replies that it is risky to speak of bigger pensions and retirement unless we can be sure of where the necessary funds will come from. "What we need is an honest government that manages health resources properly."

Carles says the dictatorship and the PRD did away with the fund. "We should first consider the technical studies that have been done and proceed from there." Vallarino says the health problem is serious because many people cannot afford to pay for private services. Perez Balladares and Blades agree on the need to improve the services offered by the Social Security Fund. Carles adds that water service can be improved in a number of ways. Vallarino, Perez Balladares, and Blades agree.

Reyna then says Panama lags behind the rest of the world in terms of education and asks Vallarino what he proposes to correct the situation. He replies that "teachers must be trained and reassured of their benefits and salaries. We must also build schools." Asked about the establishment of private universities, Vallarino says they will help raise Panama's cultural level. Perez Balladares says: "Our government will make education a priority." Blades says education is closely associated with health. "We have to make breakfast and lunch available to children while they are at school, but we must first make sure of our goals." Carles and Vallarino agree that education is fundamental.

Miller next asks Perez Balladares about the crime rate linked to the lack of security. The candidate replies: "The police have to be given back their self-esteem." "Drug trafficking must be fought at its various stages. We must keep young people from being lured into it by strengthening the family. Schools must be protected, and traffickers must be punished. The police must be professionalized." Perez Balladares clarifies that by professionalization he does not mean militarization of the police, which should be professional nevertheless. Blades advocates attacking the causes of corruption. "Officials in positions of authority need to set good examples." Carles adds: "We need a civilian police force without traces of militarism. We should start by creating a real police academy."

Vallarino says: "I think it is essential, as several have already said, that we must avoid impunity, we need to punish the guilty, especially those higher up and the white collar criminals, especially when they are public officials. We need to punish and act tough with those who are the true source of the drug problem."

Perez Balladares agrees that the punitive part of drug control has to be beefed up but adds: "To truly face up to this problem we need to strengthen the structure of the Panamanian family."

Arias announces that during this last stage of the debate with the four presidential candidates, "the topic will continue to be social and political problems. Due to time constraints, no follow-up questions will be allowed in this stage."

Noli asks Blades, if he were president would he back a duty free port law for Bocas del Toro Province similar to the law already approved for Colon Province, since both places have similar unemployment problems. Blades replies that Papa Egoro is proposing something even better—provincial inventories: "Each province is being examined to determine its human and natural resources and what are its infrastructure and public service needs. Once we can determine exactly what are the strong points of each province, we will then have the opportunity to truly define what the best path is, in economic terms, for each province. Nevertheless, as I know the people of Bocas del Toro are watching, they should know right now that similar to what has been done for Colon, they can rest assured that we are not going to forget them, as has been the case up to now."

Carles then replies to the same question, stressing that Panama is a country and we cannot have the country sprinkled with duty free stores all over. Instead, Panama needs a national economic policy. "We must first test the Colon free port system and see how this concept works and then see what can be done in the future."

Vallarino says that he welcomes the question because it gives him the opportunity to explain something: "You may not believe what I am about to say, but Colon is probably the richest city in the world on an average per capita income basis. Nevertheless, there are a number of people in Colon who live very, very, very badly. The problem is not Colon; the problem is helping the people of Colon take advantage of the opportunities they have around them."

Perez Balladares replies: "To my way of thinking the Colon free port proposal is very appropriate for the area of Colon and its idiosyncrasy because Colon is located at one of the Canal's terminal ports. I sincerely do not believe this is applicable to other provinces of the Republic, which have a vocation for agriculture, self-production."

Arias says that Reyna will ask Carles a question. Reyna says that in general, the government in Panama has kept women out of posts requiring responsibility. She asks whether Carles can make a formal promise for women's participation in his government. Carles replies that in the Comptroller General's Office nearly half the heads of department were women and that they were excellent workers. "In my administration women will have the same opportunities as men because experience tells of their capacity, dedication, and efficiency."

Vallarino again refers to his party's pact and says: "In my government, if elected, all land deeds that are distributed will be in the name of the couple, in a family.

Perez Balladares says: "I want to say that the idea is not to passively create equal conditions. I think that we must actively and positively establish equal conditions; and under equal conditions, we should favor women. Why do I say this? Because the contrary has been true historically."

Blades points out that his Papa Egoro Movement is "the first party in Panama's history to offer, by statute, 50 percent of its positions to women." The candidate says he is pleased by his colleagues' opinion regarding women. Blades adds that "women must be considered not only simply for humanitarian reasons, but because they are simply better educated, in primary and secondary school and the university, and it would be absurd to not use their intellect in a national development project."

Carles says that "people are treated equally if they have opportunities and are capable. In Panama, education has been offered to men and women and this is why both sexes are able to compete in the private and public sectors. I think that Panamanian women will have great opportunities in the future. We have respected their status and will continue to give them opportunities and responsibilities."

Journalist Miller points out that the citizens are constantly complaining about the high rates of utilities, such as electricity. He asks Vallarino whether he will promote a decrease in rates.

Vallarino answers: "Definitely yes. Public utility companies are monopolies, and as with all monopolies, they abuse people. They abuse with poor services and high rates." He calls for the regulation of public utilities as should be done with any monopoly.

Perez Balladares says that "we must find ways to ensure efficiency in the granting of public services." He calls for the privatization of certain services.

Blades points out that this situation is "a product of corruption and administrative inefficiency." He calls for a law to force, for example, the telephone company, to invest a certain amount of money to improve its services. Blades proposes a law to allow public utility companies to be run with the same flexibility that private companies are run.

Carles recalls that he has faced this problem for years. He adds that public enterprises "must be supervised and controlled; we must strive to prevent the continued growth of such institutions when many of their activities can be privatized." As examples, Carles lists cellular telephones, electricity, and water processing plants.

Journalist Noli poses the last question of this debate to Perez Balladares. She notes that the state payroll was reduced by nearly 5,000 persons but salaries increased by $5.39 million in 1993. Noli asks the candidate how he will effectively reduce state bureaucracy without further worsening the unemployment situation.

Perez Balladares points out that "we must clearly say that the private sector is the one that can create jobs in the future, not the state." He adds that public servants earning low salaries were fired and new servants with higher salaries were hired. This is, he says, not only unjust but absurd. Perez Balladares points out that the public sector is generally efficient. He notes that "I think that all candidates have been excessively harsh in criticizing the public sector. I am very proud of our public sector." Perez Balladares says public employees could be better paid to ensure they do a better job. He promises to promote approval of the civil service law because public servants deserve respect.

Argentina

Plans Announced for 1,500 Troops for UN

PY1504190694 Madrid EFE in Spanish 2301 GMT 14 Apr 94

[Text] United Nations, 14 Apr (EFE)—Argentina announced today its "firm intention" to place at the disposal of the United Nations some 1,500 troops for rapid deployment in peace-keeping operations.

During a meeting at the United Nations, alternate Argentine Ambassador Raul Alberto Ricardes said a final decision on this issue will be made soon. Negotiations are being conducted at the United Nations by which member countries specify the number of units and elements they might contribute to the United Nations, at short notice, for peace-keeping operations.

Ricardes said the conditions, methods, and other specific points on Argentina's participation will be negotiated between his country and the United Nations.

Ricardes said the units that might be placed at the disposal of the United Nations include two infantry battalions, a logistics battalion, an engineering company, a communications company, 40 military observers, and 35 civil police.

The materiel would include a missile-launching corvette, four patrol boats, a transport plane for troops and cargo, a transport ship, a field hospital, a mobile air traffic control unit, and two terminals for airfields.

Argentine diplomatic sources noted that the ceiling for the Argentine participation in peace operations is 1,500 troops, in addition to the 150 troops recently offered for participation in Bosnia at the request of the United Nations to strengthen the ceasefire agreements in Sarajevo and central Bosnia.

Ricardes' statement today apparently refers to these 1,500 troops.

Those responsible for UN peace-keeping operations announced today that 18 of the 184 UN member countries have so far offered a total of 28,000 people for the rapid deployment system. They hope for additional commitments in the near future that might increase this total to about 70,000 people.

Ω Repercussions to Banking Deregulation

94P20644A

[Text] The move by Citibank out of the Argentine Banking Association (ABRA), comprised of foreign banks in Argentina, and into the Association of Argentine Banks (ADEBA), made up of private banks financed by Argentine capital, caused a "great stir" in the national financial system, according to the 21 March Buenos Aires daily CLARIN. Made on the heels of the 21 February banking deregulation decree, the move, which "significantly alters the balance of power between ABRA and ADEBA," according to CLARTN of 10 March, may be the beginning of "even greater bloodletting" from ABRA, as "part of a strategy to force a merger of the two banking organizations." While ABRA was unhappy about the Citibank decision, as well as fearful that other members might follow suit, private Argentine banks were pleased to have the country's most important foreign bank as a new member of their group. "It is an honor for us," asserted ADEBA head Eduardo Escasany.

The two banking organizations came out on opposite sides of the debate over the new banking competitiveness rules, which opened up the Argentine market to foreign banks without requiring "reciprocity" from their home countries. ADEBA, demanding reciprocity, was the first to "scream bloody murder" over the new rules aimed at reducing interest rates and the cost of banking services in general, according to the 9 March LA NACION. On the other hand, ABRA said the measures would "stimulate competition" while increasing efficiency. When asked whether the "oversized" Argentine banking market, totaling 164 private and public banks according to Central Bank data, would discourage foreign banks from establishing themselves in Argentina, ABRA economic adviser Jorge Lopez replied that investment banks linked to the capital market would probably be interested as long as the market remained stable and profitable. He doubted, however, that commercial banks would enter the market due to high costs. Quilmes Bank official Carlos Perez cited "the possible reduction in interest rates and an increase in capital inflows" as advantages of market deregulation. However, he pointed to the possibility of greater capital outflows as a disadvantage. "Foreign banks will send their profits back to their countries of origin."

According to the 13 March CLARIN, large banks in Brazil and Chile as well as Spain's Bilbao Vizcaya Bank (BBV) have already shown interest in taking advantage of the newly deregulated Argentine banking market. Brazil's largest private banking group, Bradesco (Brazilian Discount Bank), is "very interested" in adding to its current network of 3,000 branches. If successful in this endeavor, Bradesco will become the first Brazilian bank in Buenos Aires to have an aggressive Mercosur [Common Market of the South]-oriented policy. Although other Brazilian banks have yet to "pound the local pavement," businessmen say that deregulation is attractive enough to bring them to Argentina within the next few months. Among Chilean banks said to be interested in the Argentine market are O'Higgins, one of Chile's "heavyweights;" BICE, which belongs to the Elecodoro Mate Group; and the Edwards Group, owner of the daily EL MERCURIO. Among other Latin American countries, Uruguay is the most likely candidate to enter the market, according to CLARIN.

Menem Admits Corrupt Government Officials Exist

PY1504213894 Madrid EFE in Spanish 2251 GMT 14 Apr 94

[Text] Buenos Aires, 14 Apr (EFE)—Argentine President Carlos Menem today admitted that, in his administration, "there still are officials who commit acts of corruption" and people who, "through bribes, instigate the corruption of government officials."

In remarks to Radio La Red of Buenos Aires, Menem added: "We have done away with a system in which corruption had been established for many years, that is, the oversized state that we had. There were state-owned enterprises that had truly become centers of corruption."

Menem emphasized that his government "had dismantled this system" and asked entrepreneurs to cooperate and "help in eliminating these small centers."

The reports on alleged acts of corruption within the retirees social services organization (PAMI) [Comprehensive Medical Assistance Plan] has been described by political observers as one of the reasons why the ruling Justicialist Party (PJ, Peronist) lost in the country's capital the Constituent Assembly elections held on 10 April.

PAMI President Matilde Menendez, the No. 2 candidate on the PJ ticket for these elections, resigned as a Constituent Assembly member 48 hours after the elections, but denied that she was involved in acts of corruption and asked the General Directorate of Taxation (DGI) to investigate her assets.

Urges Court of Ethics for Journalists

PY1504163394 Madrid EFE in Spanish 1610 GMT 14 Apr 94

[Excerpts] Buenos Aires, 14 Apr (EFE)—Argentine President Carlos Menem indicated today that he supports the creation of a "court of ethics" to control "aggressive" journalism "that humiliates and discredits without proof or foundation."

Menem reacted in this way after learning of the acquittal handed down by Federal Judge Nerio Bonifatti on Menem's sister-in-law, Amira Yoma, in the trial for alleged drug money laundering. [passage omitted]

The matter was investigated by the Argentine media, which gave ample coverage of the trial and discussed the actions of the judges and prosecutors in the case.

As soon as Yoma was acquitted, Menem vented his anger on the journalists who had revealed details of the trial within the framework of his periodical confrontations with certain sectors of the media.

Menem told a radio station of this capital that "in my opinion the time has come to create a court of ethics to judge those who engage in a type of journalism that is totally out of line with reality, an aggressive journalism that humiliates and discredits without proof or foundation." [passage omitted]

Views Press Freedom, Criticizes Monopolies

PY1504170894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1107 GMT 15 Apr 94

[Text] Buenos Aires, 15 Apr (NA)—President Carlos Menem has promised that freedom of opinion, of information, of communication, and the freedom of the press as explicitly contained in the Constitution "will not be touched within this reform" which is being promoted by the government.

He cracked down on "some monopolies" within the media, saying that their presence "is not in line with democracy or freedom."

The chief of state made these remarks during an address on 14 April at the industrial complex of the city of Pilar, Buenos Aires Province, where he dedicated the new printing works of the Agrupacion de Diarios del Interior S.A.

Menem recalled the policy that the government has implemented since it came to power to deregulate the media that is in the hands of the state, and to achieve "an atmosphere of freedom so that the community can quickly receive basically sound and true information."

He said: "Regrettably, some old monopolies still exist. I hope that as we advance in this transformation process these monopolies will adjust to the reality of the country, continent, and the World."

Menem maintained that "freedom of the press is a dogma within the framework of judicial order that is contained in the national and provincial Constitutions."

He then lamented that the people of the interior "are outshined by the Federal Capital because only events that occur exclusively in the Federal Capital are published, but at times as a consideration there will be some piece of news on events in the interior; if it is bad news, all the better."

"We want federalism to become a reality within the sphere of information and communication, and this is something that we are still lacking," he added.

He acknowledged that "there are other deficiencies," such as newsprint, although he believes that "there will be no lack of opportunities to acquire manufacturing plants" for this raw material "with this type of grouping and with enough capital."

Menem also defended the fact that "the media—newspapers and magazines—must have the possibility of purchasing on equal conditions paper for their publications."

"This is one of the basic facts of freedom of the press. If the media in the interior have to purchase raw materialat a higher price in order to go to press, this is evidently a violation of freedom of the press and communication."

He demanded "clear rules of the game if we want to reaffirm this life style that we Argentines have chosen: Democracy and freedom, and the dissemination of this freedom through the media."

Views Justicialist Victory in Election

PY1504145694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2112 GMT 14 Apr 94

[Text] Buenos Aires, 14 Apr (NA)—President Carlos Menem today reaffirmed that the results of the 10 April election was a Peronist victory and urged his government team "to not waver in pursuing the charge" against corruption.

In an impromptu message delivered before the start of a cabinet meeting, Menem said that through the results obtained in the 10 April election the government "achieved its political objective regarding constitutional reform," which would enable him to seek reelection.

Upon accrediting "the government" with raising the banners of the fight against corruption, Menem warned that these banners "should not fall into the hands of those who would use them exclusively for election-oriented purposes." He was thus tacitly alluding to the successful campaign and victory of the Grand Front in the federal capital.

Menem, who asked for "applause" for Communications Secretary Raul Burzaco on his birthday, reaffirmed that "Justicialism has obtained a comfortable victory in the election of delegates for the Constituent Assembly."

According to government sources, Menem attributed the Justicialist setback in the federal capital "to the historically proven volatile nature of the federal capital voters," who cast their vote "in accordance with historical circumstances."

Commenting to his ministers on the reason for the decline in ballots cast in this election for the Justicialist Party compared to those of 1993, Menem said that this was due to "the special nature" of the 10 April elections. He noted that on 10 April "the ballots were not being cast to elect executive branch or legislative officials" nor were they intended to decide the economic course. Hence, he said, "small parties were able to capture more votes."

Underlining the importance of the Justicialist victory, he noted that the Justicialist Party won in "123 of the 127 districts" in Buenos Aires Province and "in all of the 31 districts" in Santa Fe Province.

Menem also emphasized the success of the Justicialist Party by affirming that "75 percent of the Constituent Assembly delegates elected nationwide belong to parties that voted in Congress in favor of the constitutional reform."

Finally, and before going on to the cabinet agenda, Menem urged his ministers to continue "to work as usual" and put aside "any pessimistic approach toward the electoral outcome."

Interior Minister on Professional Army Formation

PY1504214194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1857 GMT 14 Apr 94

[Text] Buenos Aires, 14 Apr (NA)—Interior Minister Carlos Ruckauf said today that a professional Army "represents a mid- or long-term possibility" and ruled out the possibility of Argentina being able, at this moment, to implement "this type of project."

Thus, Ruckauf discussed the possibility of replacing the current compulsory military service system with a professional Army. He nevertheless refused to make any additional comments because this issue does not specifically involve his portfolio, but the Defense Ministry.

The interior minister stressed: "An unrestricted dignity must be guaranteed for those drafted." He added that conscripts "must not be petty soldiers, but qualified soldiers in order to defend our fatherland."

In remarks to journalists accredited to the Government House, the interior minister pointed out: "In my opinion, General (Martin) Balza's quick handling of such a delicate situation is very significant."

Jujuy Governor Resigns; Perassi To Stay Until 1995

PY1504145894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1019 GMT 15 Apr 94

[Text] San Salvador de Jujuy, 15 Apr (NA)—Jujuy Province Governor Jose Carlos Ficoseco, who was on a six-month leave of absence, resigned his post early this morning after Judge Mario Gonzalez issued a writ depriving Ficoseco of his rights.

Ficoseco's resignation was submitted early today to Oscar Perassi, parliamentary secretary of the local legislature. Perassi, who assumed the governorship on the night of 13 April, will now remain in his post until 1995, when a new governor will be elected in the general elections.

Bolivia

Likely U.S. Extradition Request Spreads Fear

PY1504182094 Santa Cruz EL MUNDO in Spanish 1 Apr 94 National Section p 2

[Text] La Paz—As the "narco-links" case [involving alleged links between former President Jaime Paz Zamora and his party, the Movement of the Revolutionary Left, MIR, with drug trafficking] gains impetus, fear grows within government and political circles that the U.S. Court may issue a "massive request for extradition of Bolivian citizens who perpetrated attacks and/or crimes within U.S. territory, according to official sources. [no closing quotation marks as published]

According to Interior Under Secretary Hugo San Martin, "there is an extradition procedure that has probably been considered for the 'Rico Toro case' and will probably be used for other people."

Some legislators fear that as a result of the developments following the charges and statements by drug trafficker Carmelo Dominguez Vaca and the report on the FELCN [Special Antinarcotics Force] operations, the United States may request the extradition of "many Bolivian citizens involved in drug trafficking such as General Felipe Carvajal Badani, retired, the former National Police chief."

Referring to the former police chief, the FELCN report states: "In October 1989 (Jaime) Paz Zamora swore in Felipe Carvajal as the National Police commander. Carvajal, a MIR activist well known for being corrupt, has a strong relationship with Capobianco. Carvajal resigned on 12 March 1991 charging that the U.S. Embassy was pressuring him."

When Hugo San Martin was asked on Thursday, 31 March, if he knew of an alleged U.S. request to the Bolivian Foreign Ministry for the extradition of Gen. Felipe Carvajal he answered: "We have nothing official."

Diplomatic sources explained that despite the lack of an extradition treaty between Bolivia and the United States that explicitly refers to trafficking, the latter "has every right to seek the extradition of any Bolivian citizens it believes are involved in trafficking in U.S. territory."

As an example they mentioned that in the past few years the number of U.S. requests for extradition for this reason amounted to about two dozen. Of these requests, however, the Supreme Court only approved the "case of Chunty Roca Suarez," who was sentenced by the civil court to 15 years imprisonment.

On 23 March the U.S. Embassy officially asked the Bolivian Foreign Ministry to extradite former Army Colonel Faustino Rico Toro for violating the Miami federal antinarcotics law.

The Foreign Ministry submitted the request for extradition to the Supreme Court of Justice which, in turn, submitted it to the Attorney General's office. Attorney General Angel Baldivieso has ordered Rico Toro's preventive imprisonment while legal procedures are completed.

Meanwhile, Government Minister German Quiroga Gomez disclosed that Faustino Rico Toro, who is believed to have shipped cocaine from Bolivia to the United States, will continue incommunicado in the FELCN prison in La Paz.

Further on Paz Zamora's Congressional Testimony

PY1504182294 La Paz Television Nacional Network in Spanish 0300 GMT 15 Apr 94

[Excerpts] Here are the highlights of former President Jaime Paz Zamora's six-hour testimony before the Constituent Commission.

[Begin recording] [Amalia Pando] In his testimony before the Constituent Commission, former President Jaime Paz Zamora declared he was both a victim of his own mistakes as well as those of the Special Antinarcotics Force [FELCN] and the Prosecutor's office.

He referred to a U.S. plot that is allegedly focusing on him because his government defended coca farming at an international level and because he invited Fidel Castro to visit Bolivia.

[Paz] I hope the commission agrees with me when I say that we run the risk of our ineffective struggle against drug trafficking being used within our country for political or other purposes. [passage omitted]

Do you not think, when I saw the regrettable way in which the FELCN and the Prosecutor General acted, I did not wonder how they acted in previous cases and how many people may have been victims of this irresponsible, corrupt, and superficial management of our prisons throughout the country.

[Pando] During his administration, Paz Zamora was asked to safeguard our sovereignty in light of the obvious intervention by the U.S. Embassy. At that time Paz Zamora talked about a sham [pacotilla] sovereignty.

[Paz] We must not let the FELCN, in the name of the noble struggle against drug trafficking, become a nightmare for the citizenry as was the case of the Tonton Macoutes in Haiti.

[Pando] The former president then made a series of charges which had been reported by the media throughout the four years of his administration.

[Paz] Higher ranking FELCN officers, district prosecutors, and the special prosecutors for drug cases receive their salaries directly from the financial cooperation granted by the United States. This is not normal. I would say this is a typical case of cooperation—which we need—but which could turn into intervention. After all, you obey the one who pays you your salary.

[Pando] He ended his attacks against the FELCN and the prosecutors in a categorical manner.

[Paz] Nothing of what was said was true. [passage omitted] [end recording]

Brazil

'Difficult' Foreign Debt Negotiations To End

PY1504202094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 94 p B1

[Article by Paulo Sotero]

[Text] Washington—An effort of almost three years of difficult negotiations—which were marked by the turbulence of the Collor era and by five replacements at the head of the Finance Ministry—will end today in New

York, with the signing of an agreement for reducing and rescheduling the debt that Brazil owes to private foreign creditors.

Central Bank President Pedro Malan, who designed the strategy of negotiations with the banks and led the implementation of that strategy, will be in New York to supervise the formality during which old debt certificates will be exchanged for rescheduled debt bonds, making the agreement come into force. No ceremonies have been scheduled. The agreement will be announced through a press communique which might be followed by a brief conference—which has yet to be confirmed—hosted by Malan and Citibank Vice President William R. Rhodes, who represented the banks at the negotiations.

Official Brazilian sources and sources from the creditor banks committee yesterday said they do not believe that U.S. investor Kenneth Dart, who owes 3.4 percent of the Brazilian foreign debt, will try to block the agreement. If he attempts to do so he will cause a still steeper drop in the value of his Brazilian certificates, which are worth approximately $1.4 billion and have suffered a strong devaluation over the past 45 days as a consequence of the storm that high interest rates in the United States has provoked on the foreign debt's secondary market.

Early this week in Guadalajara, where Malan represented Brazil at an Inter-American Development Bank meeting, he said that the doors of the Central Bank remain open to Dart. "Yet the Central Bank will be ready to respond if he attacks," Malan added. A platoon of Central Bank and banks committee lawyers, who are engaged in clarifying a lot of the technical details of the agreement, is in a state of readiness.

Option

The main U.S. manufacturer of thermal insulators [isopor], Dart bought the Brazilian debt papers with a discount of more than 70 percent, hoping to earn hundreds of millions of dollars with the revaluation of these papers. His initial option was for the capitalization bonds, one of the six refinancing papers offered by Brazil, and he has for months refused to accept the final terms of the renegotiation, which have already been endorsed by the other creditors (more than 750). All creditors agreed to a second option, which was provided for in the contracts, and invested at least 35 percent of their papers in discount bonds.

Asked about the plans of his client, Dart's lawyer in New York, Martin London, replied mysteriously: "No comment." Even though Dart is a peculiar person—he recently changed his U.S. citizenship for Belizean citizenship, and moved his residence to this small Central American country to stop paying income tax to Washington—financial executives yesterday said that he would not burn money or take foolish steps. Consequently, there is hope that the agreement will actually be concluded.

Just in case, the Central Bank has over the past few days adopted several measures to protect Brazilian assets abroad from a possible court-ordered embargo. Government legal advisers have said that from a technical viewpoint it would be very difficult for Dart to justify an action of that kind before a judge, because of the terms of the contracts. They are sure, however, that Dart will take legal action against the Central Bank after implementation of the agreement. The advisers are getting ready to reply, and they believe that Dart will also find it difficult to convince a judge of the merit of his complaint.

Investment To Replace Debt Conversion

PY1504204594 Rio de Janeiro O GLOBO in Portuguese 15 Apr 94 p 19

[Text] Brasilia—A result of the foreign debt agreement, debt conversion will again be replaced by direct investments in the country, which were suspended in 1987. This mechanism allows foreign banks to immediately receive real cruzeiros to invest in Brazil, instead of having to wait to receive payment in foreign currency. The Central Bank believes that the country will immediately obtain $210 million for the capitalization of financial institutions or holdings, whether or not these institutions have foreign capital.

According to the provision promulgated yesterday by the Central Bank, creditors who in 1998 lent fresh money to Brazil have two options: exchange the money which has not been used, and is still deposited at the Central Bank, for new certificates for the rescheduled debt; or invest in the capitalization of companies in the country. The Central bank provision demands, however, that these creditors have a balance in the PFA (Parallel Financing Accord) [Acordo Paralelo de Financimaneto], which was one of the four types of fresh money used in 1987.

Foreign Debt Agreement Detailed

PY1504212394 Rio de Janeiro O GLOBO in Portuguese 15 Apr 94 p 19

[Article by Soraya Alencar in Brasilia, and Helena Vieira in New York]

[Text] Brasilia—After 11 years of negotiations, Brazil will today close in New York the most important foreign debt agreement ever reached with private creditors. D day is today, as the old debt titles will be exchanged for the restructured debt bonds. This means that the last four agreements are no longer valid, and Brazil will come to pay the renegotiated debt, which is made up of five kinds of different bonds. These bonds can even be used in the privatization program.

According to the new agreement Brazil will have up to 30 years to pay approximately $51 billion, of which $35 billion must be paid to 800 foreign private banks. In the negotiations with the creditor banks Brazil obtained two unprecedented concessions: First, the payment of the guarantees in installments, a clause which until now had never before been obtained by any country. From a total $4.6 billion that the country must pay, Brazil will disburse $2.8 billion today. The remaining $1.6 billion will be paid in four installments over 2 years.

Another triumph for Brazil was closing the deal without first obtaining IMF approval, as foreseen in one of the clauses. Despite the efforts by former Finance Minister Fernando Henrique Cardoso, who travelled to Washington last month, IMF approval was not obtained. After consulting all the creditors the steering committee of creditor banks reported that the closing of the deal was being effected independently from IMF approval.

Central Bank President Pedro Malan, who has been responsible for the debt negotiations over the past two years, said in New York today that the current agreement ends the chronic problem of the foreign debt. His advisers say that in the next six years, until the interest on some of the bonds begins to be paid, the Brazilian Government will be able to heave a sigh of relief and gain the time to stabilize the economy.

But Brazil still has other concerns in the foreign field. The agreement with the Paris Club, which groups official creditors, depends on an agreement with the IMF. The Brazilian Government also needs to reach an agreement with the Dart family, the greatest non-financial private creditor of Brazil. The Dart family holds $1.4 billion worth of old debt titles, and it does not accept the exchange conditions proposed by Brazil. Brazil fears that the Dart family may file a lawsuit demanding the immediate payment of the debt, or that it may prevent the exchange of the debt documents today.

Pedro Malan, who yesterday arrived in New York, did not want to confirm that everything was ready for the exchange of the debt titles. In order to protect the Brazilian reserves deposited abroad, the Central Bank has instructed the banks that operate with exchange to deposit the surplus of the reserves purchased abroad in the name of the Brazilian American Merchant Bank, a Bank of Brazil subsidiary headquartered in the Cayman Islands, a fiscal paradise safe from legal actions.

Remittances Estimated

PY1504215294 Rio de Janeiro O GLOBO in Portuguese 15 Apr 94 p 19

[Text] An initial deposit of $2.8 billion, which the government will make today for repaying its foreign debt, will be the start of a marathon of disbursements which will permit rescheduling the debt's principal over a 30-year period. In the final analysis, however, how much will Brazil pay in interest to foreign creditors over the next few years? It is difficult to know the exact figure. Almost 55 percent of the debt certificates that are being exchanged are fixed earning papers with an annual ceiling of 8 percent interest. Yet in the case of fluctuating rates, payments will be subject to the variation of interest abroad.

Michael Gartenkraut, economic affairs secretary during the Jose Sarney government, estimates that the debt agreement will permit the government to economize around $2 billion per year. He says that the savings will stem from the reduction in principal and interest.

Gartenkraut says: "These are preliminary figures, as they depend on the creditor banks' decision to choose fixed or fluctuating interest rates. In addition, they will also depend on the level of interest abroad."

According to Carlos Langoni, former Central Bank president and current director of the FGV [Getulio Vargas Foundation] World Economy Center, the debt agreement could increase remittances abroad in the long term, but will make payments regular.

Langoni says: "This agreement is much more advantageous than the previous ones, as it will effectively reduce the principal, setting more reasonable repayment periods."

Langoni agrees with Joel Korn, executive vice president of the Bank of America, who believes that the Brazilian foreign debt problem has been resolved. According to him, considering that Brazil has a good reserves level and increasing exports, the debt will no longer be an obstacle for economic growth.

"With the reduction of the so-called Brazil risk, the country will be able to obtain money abroad at a much lower cost. In addition, risk investment in the private sector will grow, especially by countries like Japan," Langoni says.

Not everyone agrees. Economist Gerald Medley, of Pactual Bank, believes that as far as obtaining money is concerned, the external market is in very poor condition. According to him, the reason is the lack of definition of interest rates in the United States, and the uncertainties in the stabilization of the Brazilian economy.

"Banks do not want those papers in their portfolios. Even countries that have already concluded a debt agreement, like Mexico and Argentina, are finding it difficult to obtain money. The time is not right," he says.

Debt Agreement Closed in New York

PY1604004494 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 15 Apr 94

[Text] After three years of negotiations, Brazil has closed its foreign debt agreement. The country will pay $51 billion over 30 years, representing a 30 percent discount. A maneuver by the Brazilian negotiators thwarted threats by the Dart family, which holds Brazilian foreign debt papers and does not agree with the discount. The Dart family was threatening to file an international lawsuit against Brazil for failure to pay.

Arida Views Free Market Economy, Privatization

94SM0285A Sao Paulo O ESTADO DE SAO PAULO (Economic section) in Portuguese 6 Mar 94 p B-6

[Interview with Persio Arida, president of the National Economic Development Bank and co-author of the FHC2 Plan, by Suely Caldas in Rio de Janeiro; date not given: "Arida Preaches Free Market Economy"—first two paragraphs are O ESTADO DE SAO PAULO introduction]

[Text] According to this economist, who helped write the FHC2 [Fernando Henrique Cardoso-second economic program] Plan, the state should not intervene in setting wages or freezing prices as it did eight years ago under the Cruzado Plan, which he also helped write.

Rio de Janeiro—After 10 days of a viral infection that kept him in bed with a temperature of 40 degrees just before Carnival, and then another 10 days in Brasilia to help complete the economic stabilization plan, the president of the National Economic Development Bank, Persio Arida, was finally able to get back to work last week. One of the authors of the Cruzado Plan along with economist Andre Lara Resende—the "Larida" duo—he is now back on the scene with a package of measures aimed primarily at a free market economy without the persistent state intervention that occurred eight years ago under the Cruzado Plan. Although he agrees that the current plan is conceptually very close to the plan published under the Sarney administration, "the principle involved is that prices and wages must be left unregulated, and that point is absolutely fundamental to understanding the logic behind the program," Arida says in this interview with O ESTADO DE SAO PAULO.

[Caldas] Economist Affonso Celso Pastore says that this plan has resurrected the original version of the Cruzado Plan as proposed in an article by you and Andre Lara Resende in 1984.

[Arida] The plan is conceptually very close to the article we published in 1984 as far as its basic outline is concerned. But its similarity with the Cruzado Plan as that plan was actually implemented is minimal. This plan has no price freezes, schedules, or price controls. The basic idea is that prices and wages must be left unregulated, and that point is absolutely fundamental to understanding the logic behind the program. Brazil is still living with the concept underlying the Cruzado Plan, and it is surprising that later programs were attempts to repeat that experiment successfully. This program is abandoning that underlying concept. We are announcing in advance every step that we take, our policy is one of absolute consistency, and with the exception of the wage issue, what we have done now is exactly what we announced last December.

[Caldas] But it was announced in December that the prices of public services would immediately be converted into URV's [units of real value], and that did not happen.

[Arida] There are differences in detail—in the pace—but as far as the basic concept is concerned, what we are doing now is exactly what we announced in December. We are implementing a program without surprises on the principle that Brazil is a market economy.

[Caldas] Does the plan contain an alternative for relieving the hardships suffered by the needy?

[Arida] We are going to rethink the government's structure of social expenditures. We are studying conceptually interesting proposals for the introduction of a guaranteed minimum income program, one such proposal being the one drawn up by Senator Eduardo Suplicy. The idea is to improve living conditions for the poor population by using budget resources shifted from other items so as not to throw the budget out of balance. That idea is being discussed, and since its implementation requires only an administrative decision by the executive branch, it will not be long in coming.

[Caldas] You talk about the importance of leaving prices and wages unregulated. Why were rules for wages adopted?

[Arida] That aspect has frequently been misunderstood. If we left wage negotiations entirely unregulated, it is possible that some wages would be below average while others would be above, depending on the category and especially the region involved. Forced conversion to the average actually functions economically as a protective mechanism. It does not result in any losses at all, and it protects the poorest sectors of the working class. Moreover, forced conversion has legal justification derived from the rules for the nominal irreducible wage level guaranteed by the Constitution. This differentiates wages from all other prices. And it was what led us to adopt conversion to the average.

[Caldas] There are proposals in Congress to amend Provisional Measure 434 in the direction of a wage trigger. Would the administration go along with that?

[Arida] The concept underlying the Cruzado Plan is surprisingly alive in society. Proposals for wage triggers and for price increases expressed in URV's are being revived without a clear understanding of what the URV is, the reason being that everyone is always raising prices. It makes no sense to agree to a wage trigger. The correct economic response in cases of price speculation is to let the market operate.

[Caldas] The oligopolies are not accustomed to obeying the rules of the marketplace.

[Arida] There are exceptions; there are specific cases that cannot be ignored. But as a philosophy, the concept must be that of the marketplace—that is what makes sense for this program. The provisional measure does not prevent the existence of indexing clauses. It requires only that they run for one year.

[Caldas] Will the increases negotiated between unions and employers be unregulated?

[Arida] Of course. The principles of free negotiation will be respected. But there is a big difference between a wage increase based on free negotiation, increased demand, or increased productivity and one based on automatic application of the indexing clause. There is nothing to object to in the first case, since it involves natural phenomena in a market economy. The second case is based on a predetermined situation that we must avoid. As for the question of whether losses will or will not occur when the real is introduced, I would point out that the entire matter of rules for issuing the real and providing backing for it has not come up yet. That is an important point to be brought up further down the road.

[Caldas] Could you tell us anything about it?

[Arida] I prefer not to. But the point I would like to make is, once again, that we do not want to repeat previous experiences in which, even though the unit of currency was changed, there was no substantial change either in the institutional framework or in the conditions for issuing the new currency. I am using generic expressions—institutional framework, rules of issue, and backing for the currency—to emphasize that we are talking about a different monetary system associated with the new currency. That contrasts with the previous plans, in which the monetary system remained unchanged.

[Caldas] Is there really a two-month deadline for adopting the real?

[Arida] Look, so far we have not done anything based on the electoral timetable. We said that we would not begin the second phase until the first was completed, and that was how it turned out. The third phase will actually depend on our assessment that the economic conditions are most appropriate for beginning the third phase. There is no pressure—no timetable.

[Caldas] What do you mean by "appropriate conditions"? Would that be when inflation in terms of the URV stands at zero?

[Arida] This matter of the URV is being misunderstood. Since the URV is based on a basket of currencies, we will have a mixture of three indices. There will be URV inflation when one such index is higher than the average for the three. But since the average is equidistant by definition, URV inflation in one index means that there must be URV deflation in another just by the nature of things. So the question of so-called URV inflation is not a concern. As regards the proper economic conditions for introducing the real, we need to assess the process of forming a new social pact, changes in the tax situation, and the issue of constitutional revision—the basic features of the way the economy is developing.

[Caldas] But aren't you afraid that the speculation of the past few days will cause URV inflation?

[Arida] I understand the problem. But I would remind you that there is always discipline in demand. Why is it that Brazilian automobiles do not cost $100,000? The reason is not that auto manufacturers would not like to charge $100,000. The reason is that no one would buy their product. A real price increase when the economy is competitive—with unrestricted imports and so on—is subject to built-in restraint. Certain speculative bubbles are disciplined by demand itself. As for the decision to introduce the real, that decision will be made at the proper time without reference to the electoral timetable. So far we have not done anything subject to the electoral timetable. They said we were going to implement the plan in January so that it would be successful in April. Now the date has been changed to 1 May because that is Workers Day. There are no electoral considerations in this program. It follows its own logic.

[Caldas] There are certain cases in which the free market does not function in Brazil. The schools have converted their monthly fees to URV's without consulting the parents of the pupils. The parents must either pay what the school wants or remove their children.

[Arida] There are specific examples of abuses in which government arbitration is useful. I am not saying that that is one example. Neither am I being radical or naive. I am stating the basic philosophy behind the program, which is based on a free market—on freedom for the economic agents to agree on new pacts. This program has an educational side. It involves confidence in the democratic process, prior announcements, and discussion and confidence in the support of society, in Congress, and in the market mechanisms.

[Caldas] In what areas could constitutional revision help the plan?

[Arida] The timing we were contemplating had constitutional revision occurring sooner. The stabilization of a country does not take place in one day, and it will not occur even on the day when the real replaces the URV. It is a lengthy process from the standpoint of time. In that process, structural reforms of the economy are absolutely vital in order to ensure stabilization. That is where the importance of constitutional revision increases, because revision can open up opportunities for the economy to modernize itself and for the government to define its role and specific functions. It is essential to reform the welfare and health systems, redefine the issue of legal monopolies, and simplify and restructure the tax system. Those are structural reforms which, when you get down to it, constitute the real foundation of stabilization. Much more so than the emergency tax issue, the URV, or the real.

[Caldas] All indications are that the assembly on revision is going to eliminate the monopoly on telecommunications but that the petroleum monopoly will remain.

[Arida] Defending the monopolies is completely wrong. Telecommunications are a dramatic example. From the shareholding standpoint, the privatization of telecommunications has already occurred. The government now owns 17.5 percent of Telebras, and the rest is entirely in private hands. From the standpoint of a good privatization program, the way in which Telebras shares were sold over the course of time was tolerable. They were sold at ridiculously low prices without consulting the Treasury, which held the controlling interest, at all. The only question today is the legal obstacle, since ownership is already private. The important thing to emphasize is that the whole world provides examples of the advantages of competition in the telecommunications industry. There is no room for doubt on that score.

[Caldas] Some economists have been saying that the government itself will encourage inflation in real cruzeiros in order to force prices up, provoke a recession, and allow the new currency to take off with a safety cushion. Is that so?

[Arida] The program is going to be managed. We have no intention of deliberately provoking an acceleration of inflation. It has never been considered. That is Machiavellian madness.

[Caldas] The expression "economic-financial equilibrium" as found in Article 7 of the provisional measure is being interpreted to mean the intention to establish a price schedule in the move toward the real. In what cases would that be used?

[Arida] There cannot be a price schedule. As regards the expression you mentioned, there is some concern over the specific matter of old residential rents, which are covered by a specific law and certain rules regarding increases every six months. We will have to think about what to do in that specific case, which is regulated by law and must be treated differently than other cases. That is the only thing.

'Secret Army Report' Links Drugs, Numbers Game

PY1504003094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Apr 94 p C1

[Article by Fernando Granato]

[Text] A secret Army report, the details of which were obtained by O ESTADO, establishes the precise moment at which the Rio de Janeiro numbers game became involved with drug trafficking. The report, which was prepared at the request of the Eastern Military Command, mentions a 1981 meeting between numbers game chiefs—represented by Aniz Abrahao Davi, known as Anisio, from Beija-Flor; Ailton Guimaraes Jorge, known as Capitao Guimaraes; and Toninho Turco, one of Rio de Janeiro's major drug traffickers who was killed during a major police operation in February 1988.

At the 1981 meeting—according to the Army report—it was decided that the numbers game people would finance drug trafficking in Rio de Janeiro, and that Turco, Anisio, and Guimaraes would be responsible for all drug movements into and out of the city. In addition, they also would be responsible for the trafficking of smuggled arms.

A former Army captain who engaged in political repression as a member of the DOI-CODI [Department of Domestic Operations-Internal Defense Operations Center], Ailton Guimaraes Jorge had been under investigation by the Armed Forces since 1974, when his name appeared in a military inquest in which he was charged with smuggling and extortion. At the end of the 1970's, he left the Army and joined the numbers game.

Says the PDT [Democratic Labor Party] deputy for Rio de Janeiro, Miro Teixeira: "Capitao Guimaraes gave the numbers game chiefs all the know-how in weapons and smuggling that he learned from DOI-CODI. His joining the numbers game was simultaneous with the appearance of the link with drug trafficking."

Before that, in 1976, when the progress of the federal lotteries posed a financial threat to the numbers game, the alliance with drug trafficking was already in design. Top Rio de Janeiro numbers game chiefs met and decided that they had to "professionalize" the business. In that year, numbers game chiefs met for the first time with U.S. citizen Joe Conforte, one of the entrepreneurs who controlled gambling in Las Vegas and whose name was linked with drug trafficking.

During Carnival 1982, one year after a meeting between Toninho Turco, Anisio, and Guimaraes, Conforte returned to Rio de Janeiro and was welcomed in the theater box of numbers game chief Castor de Andrade. He had Moet et Chandon champagne, Iranian caviar, lobster, and tropical fruit as dessert. This was the final signal that the numbers game would no longer be the "innocent" activity of the 1960's and 1970's.

As of that time, Guimaraes and Castor vied for control of operations. Guimaraes was the first game chief to control his business with computers and to expand his activities to other states. He also was designated president of the League of Samba Schools—an activity that cleans up the image of game chiefs in the eyes of the people. Despite the fact that he was arrested one year ago at Polinter on charges of illegal association and creation of armed gangs, he is considered the natural successor to Castor de Andrade.

At a recent meeting in his gasoline station in Bangu, which was also used as an accounting office for the numbers game, Castor de Andrade reportedly said to some of his employees that he suspected Guimaraes. A maneuver to replace him in the game might have been under way. After the collapse of Castor de Andrade's operation, many people in Bangu began to openly disclose the names of the police and attorney general informers.

Numbers Game Kingpins Listed

PY1304130494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Apr 94 p X2

[Unattributed report: "The Numbers Game Kingpins"]

[Text] Castor de Andrade—According to the district attorney he is the head of the gang. A law graduate, he was disbarred by the Brazilian Attorneys Association. He is the honorary president of the Mocidade Independente de Padre Miguel samba school and a sponsor of the Bangu Atletico Clube soccer club. Before being sentenced last year by Judge Denise Frossard, he had been arrested by the Federal Police and by Interpol for making illegal profits, for being involved in video poker games, and for his participation in managing casinos. Regarding the numbers game, his area of influence is the West Zone, in the neighborhoods of Bangu, Marechal Hermes, Realengo, Senador Camara, and Mangaratiba, where he operates with his son Paulo Roberto de Andrade e Silva, who is also known as Paulinho da Mocidade. Andrade has been free thanks to a writ of habeas corpus granted by the Rio de Janeiro Superior Court. Paulinho remains under arrest at Interpol.

Anis Abraao David—He is better known as Anisio da Beija Flor. He patronizes the Beija Flor samba school. He controls the numbers game in Nilopolis and Nova Iguacu, in the Baixada Fluminense district. In 1978, he was charged with having ordered the murder of wall painter Misaque Jose Marques and of advertising expert Luis Carlos Jatoba. He was tried and acquitted. In 1991, his former wife Eliana Muller was murdered. The police found a letter written by Eliana in which she holds her former husband accountable for anything that should happen to her. Eliana also held Anisio responsible for the murder of Misque and Jatoba. Based on this evidence, District Attorney Antonio Carlos Biscaia has requested that the case be reopened. Anisio is being held in the Ferreira Vieira Neto prison in Niteroi, where he receives privileged treatment.

Ailton Guimaraes Jorge—He demands to be called Captain Guimaraes because he was an Army officer, but was expelled from the force over smuggling charges. He is listed by human rights groups as a torturer at the Doi-Codi [International Operations Department-Internal Defense Operations Center]. He is a former president of the Independent League of Samba Schools (Liesa). He controls the numbers game in Niteroi and in the Lagos Region, but his businesses extend to Espirito Santo State and even to Paraguay. He has already been fined by the Federal Revenue Secretariat [SRF] in the amount of $120,000. He was also sentenced to six years in prison by Judge Denise Frossard on charges of belonging to an armed gang. At present he is serving time at Interpol, one of the various police organizations having taken graft from the illegal game operators.

Waldemir Paes Garcia—He is nickamed Miro. He is the richest among the numbers game kingpins. He is so rich that his colleagues only call him Bradesco [Brazilian Discount Bank]. He patronizes the Unidos do Salgueiro samba school and controls the numbers game in Tijuca, Vila Isabel, and Andarai. He owns casinos and ranches in Paraguay. He gained power and money when he inherited the businesses of his then partner Angelo Maria Longas, known as Uncle Scrooge, who died in 1987. In 1988, he was arrested by federal agents who broke into the Barao de Drumond Casino in the Baixada Fluminense. Miro is the father of Waldemiro Garcia, nicknamed Maninho, who was almost expelled from the numbers game leadership for having opened fire on actor Tarcisio Meira Filho and Carlos Gustavo Santos Moreira, aka Grelha, whom he left paralyzed. Father and son were sentenced last year to six years in prison. They are both serving time at the Ferreira Vieira Neto Prison in Niteroi.

Raul Correa de Mello—Raul Capitao is 84 years old. In addition to being the oldest, he is also one of the richest among the numbers game kingpins. He controls the game downtown, in the Ilha do Governador, and in other states. Marco Aurelio, a son of Raul Capitao, was murdered in 1987, presumably on orders of the other kingpins. This incident shook the numbers game structure. Because of his old age and poor health—he suffers from Parkinson's disease—the Superior Court granted him a writ of habeas corpus so that he may stay free while his appeal of the sentence of Judge Denise Frossard—who sentenced him to six years in prison on charges of belonging to an armed gang—is heard.

Carlos Teixeira Martins—A Portuguese citizen, whose nickname is Carlinhos Maracana, patronizes the Portela samba school and the Bangu soccer club. He owns a chain of supermarkets and is, among the kingpins, the one who has had most contacts with politicians. During the administration of Moreira Franco, he was decorated with the Pedro Ernesto Medal, the highest honor conferred by the Rio de Janeiro City Council. He controls hundreds of game points in the suburbs, especially in Madureria, Pavuna, and Rocha Miranda, as well as in Brasilia. He was also sentenced to six years in prison and is serving time at the Vieira Ferreira Neto Prison in Niteroi. Their ward is known as the Place of the Yellow Woodpecker [Sitio do Pica-pau Amarelo]—a reference to the comfort enjoyed there by the inmates. Unlike the other kingpins, Carlinhos Maracana has no direct heirs. Thus, his businesses are being administered by advisers.

Antonio Petrus Kalil—In addition to being a numbers game kingpin, Turcao is also a prosperous owner of restaurants. He controls hundreds of numbers game points in Alcantara, Niteroi, Rio (the port area), Minas Gerais, and Bahia. He was charged with having ordered the murder of Bahia numbers kingpin Luis Carlos Teles de Lima three years ago to take control of the game in Salvador. He was fined $5,000 by the SRF on charges of tax evasion. Castor de Andrade, Captain Guimaraes, and Turcao make up the golden trio of kingpins in Rio de Janeiro. Turcao could replace Castor, who has lost face after his "oversight" that enabled the Rio de Janeiro district attorney to disclose the numbers game accounting records. Turcao is serving a six-year term at the Ferreira Vieira Neto Prison in Niteroi.

Jose Petrus Kalil—He is nicknamed Zinho. He is the self-styled spokesman of the numbers game kingpins. He is an economist and a brother of Turcao. He used to patronize the Mangueira samba school, but now patronizes the Estacio de Sa school. He controls points in the downtown area. He is the most discreet among the kingpins because he has been rarely seen in parties or in the company of distinguished people. A former partner of kingpin Manuel Nunes Cid, known as Manola, Zinho became a member of the select group of commanders of the numbers game after the death of his partner. Today, he owns several real estate properties and runs game points throughout the city. Last year, he was sentenced to six years in prison on charges of belonging to an armed gang. Because he is a university graduate, he has been remanded to custody at a special section of Interpol until his appeal against Judge Denise Frossard's sentence is heard.

Jose Caruzzo Escafura—He is also known as Piruinha. He controls the numbers game in the northern zone of Rio de Janeiro, especially in the neighborhoods of Meier, Engenho de Dentro, and Abolicao, where he resides with his entire family. In 1992, car thieves stole a car at gunpoint from a woman, but they returned the car to her as soon as they found out that she was related to Piruinha. A few weeks ago, one of his grandsons was kidnapped, but he reappeared a few days later. Sentenced with the other kingpins, Piruinha is serving time at the Ari Franco Prison. He owns entertainment places and a chain of motels—including one in Jacarepagua, in the western zone, which was meant to become a large, luxurious casino. The SRF found out that he owns more than 100 real estate properties. He has had 14 children by 12 women. He is often visited in prison by his women (together).

Haroldo Rodrigues Nunes—In the numbers game underworld, he is known as Haroldo Saenz Pena. He owns lucrative game points in Tijuca, a traditional neighborhood in northern Rio de Janeiro. He claims to be just "a simple citizen living on an INSS [National Social Security Institute] pension," a retired cab driver. He recently sold a shiny Mercedes Benz and a boat, even though he has not had financial problems for several years. A discreet man, he is one of the most powerful numbers game kingpins. Like Carlinhos Maracana, Haroldo does not have a direct heir and, while he is serving time for six years at the Niteroi prison on charges of belonging to an armed gang, his businesses are being run by his managers.

Luiz Pacheco Drumond—He is known as Luizinho da Imperatriz, in reference to the Imperatriz samba school of Leopoldina, which won the latest carnival samba parade. He controls the numbers game in the entire Leopoldina area. In 1991, the SRF concluded that he could not justify his wealth and imposed on him a $24,000 fine. His son Marquinhos Drumond is president of Imperatriz and is a councilman for the Liberal Party. Marquinhos also served as vice president of the Botafogo soccer club during the tenure of kingpin Emil Pinheiro. Luisinho is considered to be one of the most violent numbers game kingpins, and is suspected of having ordered the death of one nephew. He is serving a six-year prison term at the Ferreira Vieira Neto prison.

Emil Pinheiro—He owns a fortune, including a princely mansion in Angra dos Reis, outside of which he used to anchor a huge yacht. A passionate soccer lover, he decided to assume control of the Botafogo soccer club. He bought several players for the club and managed to have the team win a championship after 21 years. He controls game points in the southern zone. Nearly five years ago, he was accused of causing the death of a manager of the numbers game in Jacarepagua. It should also be noted that his partner mysteriously disappeared in 1976. He owns several real estate properties in the Barra da Tijuca area. He had health problems while serving time at Interpol. He was then taken to the Army Central Hospital, where he has been staying for 10 months. Last week the Superior Court turned down a petition for him to go free while his appeal of Judge Denise Frossard's sentence is heard.

Jose Carlos Monassa—He controls the game in Niteroi and Sao Goncalo in Greater Rio. He shares some points with Turcao. He is president of the Unidos do Viradouro samba school which, thanks to his sponsor, has made it to the special group for the past two years. One of his sons is married to the daughter of a criminal judge. He was the only numbers game "kingpin" who was not sentenced by Judge Denise Frossard, but he was sentenced in March to six years on charges of belonging to an armed gang. In Minas Gerais State, he is charged with a count of murder. He remains at large.

Petrobras Deals in Argentina Described

PY1504003694 Rio de Janeiro O GLOBO in Portuguese 14 Apr 94 p 21

[From the Economic Panorama Column by Miriam Leitao: "Strong Ties"]

[Text] Petrobras [Brazilian Petroleum Corporation] President Joel Renno was in Buenos Aires on 13 April closing several deals. One of them is very curious: The Brazilian company sold 20 percent of its participation in a prospecting area in the southern Argentine sea platform between Tierra del Fuego and the Malvinas Islands. Do you know to whom it was sold? To YPF [Government Oil Deposits], which no longer has the oil industry monopoly and is no longer a public company. Renno did not reveal the operation's value.

In that prospecting area, Petrobras already had invested $7 million by drilling the first well and will invest an additional $12 million by drilling the first well 120 meters below the water level. Petrobras is associated in the deal with the company BHP Australia and other European companies. Even by selling 20 percent of its participation, Petrobras still holds 40 percent of the capital of this enterprise, which is called San Julian-Marine. "We are still the largest shareholders in the deal," Renno said.

Petrobras also is investing in a new gas prospecting area in northwestern Argentina and is selling fuel oil to Buenos Aires thermal electric plants.

"Brazil is currently the main buyer of Argentine oil and Argentina is our second supplier after Saudi Arabia," Brazilian Ambassador to Argentina Marcos Azambuja said.

Yesterday was a good day to commemorate the increase of Brazilian purchases. The Argentine Government has published its January trade balance figures. And there was no good news. Argentina registered a $600 million deficit, which is larger than last year's accumulated January-May deficit. The Argentine trade deficit with Brazil in January was $96 million.

Yesterday was a typical Mercosur [Common Market of the South] day in the Brazilian Embassy in Buenos Aires. A group of 40 Brazilian businessmen who already have businesses in Argentina was holding a meeting to analyze new business opportunities in the Argentine market. "They meet once a month," said Brazilian Embassy minister counselor Pedro Luis Rodriguez, who is also enthusiastic about the cooperation possibilities between the two countries.

Chile

'Junta of Commanders in Chief' Reactivated

PY1604033594 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 16 Apr 94

[Text] Defense Minister Edmundo Perez Yoma has decided to again convene the Junta of Commanders in Chief in order to expedite government and Armed Forces contacts. The first meeting was scheduled for today.

The meeting between the defense minister and General Augusto Pinochet, Admiral Jorge Martinez Busch, and Air Force General Ramon Vega lasted two hours.

With this invitation to the commanders in chief, Defense Minister Edmundo Perez reactivated an institution that had not met since Chile returned to democracy: the Junta of Commanders in Chief. The Junta is a Defense Ministry advisory organ created in 1960. It is by definition the highest military contact with the political power, although it was never convened during President Patricio Aylwin's administration.

Minister Edmundo Perez decided to reactivate the organ because he thinks it is a mechanism that permits an easy civilian-military contact. The Junta only deals with strategic and defense affairs. During this meeting, the commanders and the defense minister analyzed the country's strategic situation.

There were no comments at the end of the meeting, but all the participants looked pleased.

Surcharge on Chinese Textile Products Extended

PY1504214894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1824 GMT 14 Apr 94

[Text] Santiago, 14 Apr (AFP-NA)—It was officially reported today that the Chilean Finance Ministry has extended the enforcement of the 18 percent surcharge on Chinese textile products.

The measure aimed at protecting the local textile industry, which is facing a crisis of low prices because of an abundant and inexpensive supply of foreign textile products, affects 18 fiber, wool and cotton manufactured products.

The Chilean Government has stated that the surcharge on Chinese textile products may be increased once a study establishes the extent of direct and indirect subsidies received by the Chinese textile and clothing industry.

Chilean Textile Union Leader Manuel Bustos, who is currently president of the United Labor Confederation, has said that some Chinese companies have a zero-cost hand labor because people serving judicial sentences are used as forced labor.

Colombia

De Greiff Requests Investigation of U.S. Accusations

PA1704235794 Santa Fe de Bogota EL TIEMPO in Spanish 13 Apr 94 pp 1, 3a

[Text] Prosecutor General Gustavo de Greiff yesterday asked the Congress of the Republic to investigate him, if it suspects he has cooperated with drug trafficking, as charged by some persons. Among the accusers are U.S. Senator John Kerry and U.S. Attorney General Janet Reno.

The high-ranking judicial official also requested the Executive Branch to create the necessary conditions for harmonic cooperation in the struggle against drug trafficking. This is the reason he held a meeting yesterday with Attorney General Carlos Gustavo Arrieta.

De Greiff, during a news conference upon his return from abroad, said that Colombia is possibly giving in to pressure from U.S. officials and one senator. In this regard, the prosecutor gave as an example the letter that Gabriel Silva, Colombia's ambassador to the United States, sent to Senator John Kerry in which he explains the Executive Branch's position on the surrender policy to justice. In addition, he indicates that the government "opposes the surrender of drug traffickers under conditions inconsistent with their level of criminal guilt." Meanwhile it suggests that De Greiff seeks the opposite by indicating that the prosecutor's opinions are not those of the Executive Branch.

Regarding this matter De Greiff said: "When, how, and where has the Prosecutor General's Office or specifically the prosecutor general sought something different? Quietly but firmly I ask those who have been involved in episodes to present any evidence they may have on this. Furthermore, I ask the competent institutions, in this case the Congress, to investigate if it is true or not that the prosecutor general has cooperated with drug trafficking, as is published in the same daily that invented the wanted pardon or amnesty (for the drug traffickers who surrender to justice)."

In addition, the prosecutor general said that to strive for the cooperation from another nation to be received with the commitment to previously consult with the cooperating nation, on the use it will give to the evidence supplied or on the legal measures that these could justify, would be an attack on sovereignty. "I have been and I am in favor of the nations' legal cooperation with Colombia in my country's solitary or practically solitary struggle against the drug trafficking scourge. However, this has to take place within the bases of respect for sovereignty, and fundamentally within the parameters of independence in the Judicial Branch and in keeping with the constitutional and legal provisions on the matter," De Greiff said.

The prosecutor, referring to a letter he sent to a U.S. judge, in which it is indicated that in Colombia there is no evidence that Dandenys Munoz Mosquera, alias "La Quica," was involved in the Avianca airplane explosion, he said that this was distorted by some media. De Greiff said that all he pursued with that letter was for that nation's judicial official to be informed of some facts relevant to a decision he should have or would have to make, but in no case did he attempt to mediate for any specific individual.

To defend his action, the prosecutor general based his procedure on a court decision issued by the Constitutional Court that states: "the omission of a judicial action on which is based the exercise of a fundamental right escapes all justification and de-naturalizes the legal aspect, turning it into a mere exercise of power in the abnormal exercise of jurisdictional duty."

Meanwhile, De Greiff announced a new tone in his relations with the media given that "some media with criteria I do not want to label—that everyone should label according to his conscious and his heart, as Dr. Eduardo Santos used to say—have interpreted in their own fashion the measures that in given cases the prosecutor general has taken, and what is even worse, they have distorted them..." For this reason, the high-ranking judicial official announced that from now on he would communicate with the media in writing in the briefest form possible and through press communiques.

The prosecutor general also made reference to the situation of the bishops who allegedly have cooperated with the guerrillas. In this regard he said "it is not true that the Prosecutor General's Office has voiced its opinion on its agreement or disagreement on the testimonies of cooperation with subversive groups."

'Text' of De Greiff Letter to Kerry

PA1704234994 Santa Fe de Bogota EL TIEMPO in Spanish 13 Apr 94 pp 1a, 3a

["Text" of letter by Colombian Prosecutor General Gustavo de Greiff to U.S. Senator John Kerry; date not given]

[Text] Senator [John] Kerry's article, which he wrote instead of conducting a rational debate, which from my point of view is our only hope if we are to find a solution to a social problem of such great magnitude, is a long chain of personal attacks [ad hominem] that are not in accordance with your position nor are they appropriate comments on a high-level official of a sovereign state. But for the time being I will ignore them so as not to lose focus on what is truly important.

However, some clarifications are important because the senator is short on the truth. The senator is mistaken on the following issues:

1. It is not true that I held secret negotiations with members of the so-called "Cali Cartel." I believe that only distance and access to only selected articles could have led the senator to this conclusion. A law promoted by the Gaviria administration gives those who are suspected of involvement in criminal activities the opportunity to surrender to the district attorney and to request an investigation in the hopes of clarifying their legal situation. The cases I believe the senator is thinking of are those involving Helmer Herrera, Juan Ramirez, and Jose Olmedo Ocampo, who came to my office on 11, 13, and 14 January, respectively, to request the aforementioned investigation. As stated in the law, my office issued a communique reporting on the facts.

The points that must be stressed are the following: a) All the procedures were conducted according to Colombian law. b) There was nothing secret about the contacts that were required by law and that led to the issuance of a public document. Furthermore, and as established by the law, my office notified the other Colombian judicial agencies and, at the same time, asked the foreign governments (including Italy, France, Germany, and the United States) to provide any legal evidence they might have against these people. c) The documents these men received following their visit to my office grant them no legal immunity nor any advantage. The documents simply establish the facts and purpose of their visit. Therefore, these harmless documents have no bearing on the investigation. This whole incident is much ado about nothing. Our capacity to prosecute these individuals has not been jeopardized; furthermore, it could not have been jeopardized for several reasons established in Colombian laws and statutes.

2. The senator's knowledge of Colombia is not precise. At all the forums to which I have access (including THE

WASHINGTON POST article the senator is responding to), I have unceasingly talked about the horrible impact the drug traffickers, regardless of where they may come from, have on Colombia. As a matter of fact, the generous popular support I still enjoy in Colombia is due to my determination to not only speak, but also act against drug traffickers in general. However, for the record, the senator is mistaken about which crimes are credited to which cartel. I cannot blame the senator for this since the cartels have been disastrous to this country, and keeping straight who did what is not an easy task. But even keeping this in mind, the story the senator writes in his article is nothing more than a story; the exact same accusations—participation in the assassination of Luis Carlos Galan (true), massive public relations campaigning against the extradition law (true), active campaigning during the constitutional reforms (true)—were made against the Medellin Cartel throughout the long process of the abolition of the extradition treaty and later during the approval of the laws on sentence negotiations promoted by the Gaviria administration.

The same "story" is being told again today with different actors. One begins to ask oneself what interests are hidden behind this story; could it be that there are people in the U.S. Senate who would like to see the continuation of exactly the same struggle, at a safe distance from the United States, rather than considering alternatives that would distribute the burden of a war against drugs more equally? Senator, on this point there can be no doubt; the question from my viewpoint is not how we should surrender in light of the drug problem, but rather, how we should deal with it more effectively. Much of the progress Colombia has recently made in this field can be attributed to the institutional reorganization resulting from the 1991 Constitution, a reorganization created by the office I currently hold, which has been an instrument in the efforts to ensure that the law in my country is respected. But it is still necessary to do more, because, despite the new institutions, I cannot see clearly that we are winning this war.

3. Senator Kerry is mistaken when he says that Julio Fabio Urdinola—a drug trafficker who surrendered to the Colombian authorities on 11 March—"when negotiating his agreement, made use of an idea inspired by Cali, according to which, there is no Cali Cartel, rather, individual drug traffickers acting independently." This argument was not used by Urdinola (but how could the senator know whether it was or was not used?) simply because it is irrelevant. The crime for which we are accusing Urdinola is cocaine trafficking; therefore, the existence or nonexistence of the Cali Cartel is irrelevant. Senator Kerry may not like the idea of facing the fact that the Cali traffickers are not members of a cartel. But, of course, no action or rhetoric on his part can change the facts. By the way, in light of the little evidence that the U.S. and Colombian Governments have against the members of the alleged Cali Cartel, I do not understand the senator's apprehension about our using sentence negotiation against the Cali traffickers. I believe that, as long as we are thorough and demanding in the terms of such agreements, we will have more opportunities to obtain information on other traffickers than we would if we acted as we did in the past.

4. Senator Kerry is mistaken in stating that Urdinola "now faces only five years in prison." I believe I know about this because my office is responsible for those procedures. The length of Urdinola's sentence has not yet been discussed by the Prosecutor General's office. At this time I will take advantage of the opportunity to reiterate that debates on drug policy should not be based only on rational arguments but also on truth.

Now that this has been clarified, please allow me to stress some points made in the article the senator is responding to, as well as other statements I have made on this subject:

1. In my opinion, the antidrug policy must be guided by two goals: the reduction of trafficking and use and the dismantling of organized crime (yes, Mr. Kerry, this includes the "Cali Cartel," as well as organized crime in New York, Los Angeles, Houston, Chicago, Boston, etc.). The drug policy must also be guided by an important down-to-earth preference in favor of multilateral decisions, decisions made on the basis of respect and mutual understanding, not on disinformation and a presumptuous double standard.

2. Senator Kerry's answer to my article, to the extent that his answers contain an argument, takes it for granted that I am willing to consider legalization in terms of a free market. Nevertheless, I want to think about legalization models to break the economic backbone of the drug traffickers (yes, Mr. Kerry, the economic backbone of the Cali traffickers also), without increasing the supply. Again and again, I have said that my interest in considering legalization depends on the possibility of devising a suitable model to reach the goals mentioned earlier.

3. Senator Kerry has chosen to ignore the terms under which I defend the use of sentence negotiations. I have clearly said that this negotiation can be a useful instrument to the extent that we can obtain something that neither the United States nor Colombia has obtained so far, despite all their efforts: the cessation of all drug-related activities, full information on the participants in all involved countries, operational modes, location of laboratories, points of entry, financial transactions, etc. In addition, I have said that such agreements should not prevent the prosecution of both those who fail to abide by the agreements and those who refuse to provide full information.

4. Senator Kerry's insistence on the Cali Cartel's existence suggests that he knows something we do not know. This leads me to reiterate my request for a more effective information exchange. There is only one way to settle the question of the Cali Cartel's existence: by presenting evidence that supports the statement. Both in word and deed, I have always been willing to file charges against

drug traffickers. It goes without saying, of course, that I need evidence to do this. If the senator possesses this evidence, we are prepared to use it.

Finally, I reiterate that a rational debate on the subject is essential. This involves listening to arguments and refraining from questioning the moral character of the participants in the debate solely because they hold a different viewpoint (something easy to do from Washington's comfortable distance). [Signed] Gustavo de Greiff R., attorney general.

Attorney General Comments on De Greiff, Penal Code

PA1604222294 Santa Fe de Bogota EL TIEMPO in Spanish 9 Apr 94 p 5A

[Text] Attorney General Carlos Gustavo Arrieta has described certain decisions by Prosecutor General Gustavo de Greiff as being "isolated," and he said such decisions generate reactions that make people question their institutions and their coworkers.

"I am respectfully calling on the prosecutor general to stop making isolated decisions that can adversely affect the country's criminal policy," Arrieta said.

The attorney general also referred to Justice Minister Andres Gonzalez's position: "I have observed with irony and sadness how, by way of a letter a few days ago, the justice minister has established conditions for subjecting drug traffickers to justice, even though more than a year ago the Attorney General's Office had requested the inclusion of these same conditions in the Criminal Code."

Arrieta spoke to journalists yesterday to explain his views regarding the controversy that has emerged in the relations between U.S. officials and the Colombian Prosecutor General's Office, and he called on De Greiff to act in harmony and to cooperate with other institutions.

He added: "Serious harm will be done to Colombia and all of its citizens when, by way of isolated decisions, certain reactions are generated that make people question their institutions and their peers, because for every criminal there are thousands of decent citizens who are demanding respect for their dignity and rights."

According to the attorney general, the prosecutor general's isolated statements and decisions should not be allowed to endanger the state's criminal policy, because "no institution can claim for itself the exclusive handling of the state's criminal policy." He added: "There is a constitutional mandate that calls for harmony and cooperation among all branches of government. It is necessary to understand that the legal strategies of prohibition and prevention should parallel one another and be harmonious within the state."

The attorney general added: "I do not want this statement to be interpreted as if I am supporting someone. I simply want to make a constructive contribution toward resolving a national problem that has resulted in serious consequences, such as the labeling of Colombia as a narcodemocracy."

Arrieta admitted that the current Criminal Code is a failure because of all of its legal flaws and contradictions. He said the drug traffickers' lawyers have taken advantage of these shortcomings.

Arrieta said: "The lack of standards has prompted attorneys for drug traffickers to try to obtain more favorable conditions for their clients." The problems with the code, according to the high-ranking official, can be summarized this way: "There are confusing standards in terms of protocol, advantages and benefits of the law, and the application of differing views, and these eventually lead to lenient decisions."

Arrieta also said there are documents that prove that since February 1992 the Attorney General's Office has been insisting on the need for a tougher Criminal Code.

Another Criminal Code

Arrieta said: "It is no secret that the Attorney General's Office was the only office that originally opposed the reform of the Criminal Code, because it believed the discretionary powers given to prosecutors in doling out benefits were too broad." The attorney general said there are 60-70 criminal policy standards, but he added that all of these are confusing and contradictory. "This is why, according to the Attorney General's Office, as far as the struggle against drug trafficking is concerned, it is important for the government, the Congress, and the judicial branch to assume the challenge of issuing as soon as possible significant procedural standards that reflect a clear-cut criminal policy."

The attorney general said the new criminal code must include guidelines for meting out sentences that correspond to the seriousness of the crime. He said: "They should offer viable judicial alternatives that will generate neither impunity nor a sense of impunity."

While waiting for these kinds of reforms, Arrieta promised "to proceed forcefully and seriously in such a way that those guilty of crimes receive punishment that correspond to their acts." He also said he will continue to work within the framework of the legal and constitutional responsibilities the Attorney General's Office has in criminal cases.

Arrieta added: "If, as a state, we are unable to promote a comprehensive Criminal Code that features sentences that are proportional to the crimes and establishes clear criteria for the application of benefits, then something is seriously wrong here."

Court Endorses Expropriating Drug Assets

PA1804015794 Santa Fe de Bogota Inravision Television Canal A in Spanish 1730 GMT 13 Apr 94

[From the "National Newscast"]

[Text] It will be legally possible to confiscate assets owned by drug traffickers. A Constitutional Court ruling has given the green light to legislation that authorizes the expropriation of property owned by persons charged with illegally acquiring wealth.

By backing the Vienna Convention, the United Nation's highest treaty on drug trafficking, the Constitutional Court has endorsed one of the leading mechanisms to fight this scourge in Colombia. Authorities are convinced that with this endorsement of the treaty it will be easier to confront drug traffickers.

[Begin Justice Minister Andres Gonzalez recording] It is an international instrument that is essential in the fight against drug trafficking in all of its phases, such as money laundering, taking drugs, and diverting chemicals used in processing cocaine. [end recording]

The Court has ruled that, from now on and through a judicial procedure, seizing goods that originated in drug trafficking or goods that represent illegal acquisition of wealth can be authorized.

[Begin Gonzalez recording] The Vienna Convention is important because other countries can imitate us. It will be possible to establish regulations and agreements to complement the Vienna Convention in order to freeze drug trafficking-originated goods. It is also an essential instrument in breaking organized crime's financial backbone. [end recording]

The nonextradition of Colombian citizens was also agreed upon during the revision of the Vienna Convention.

Roundup of Economic Developments

PA1304004094

[Editorial Report] The following is a compilation of reports on economic developments through 12 April.

The Foreign Trade Institute (Incomex) has reported imports totaled $1.4 billion during February, a 36.3-percent increase over imports for the same month last year. Incomex has revealed $2.5-billion worth of goods were imported the first two months of the year, a 26-percent increase over imports for the same period in 1993. Raw materials and unfinished products accounted for 41 percent of imported goods, followed by consumer goods and capital goods. The largest supplier of goods to Colombia was the United States, with $922 million, followed by Venezuela, with $386.6 million. (Santa Fe de Bogota EL TIEMPO in Spanish 21 March 94 p 2C)

According to data compiled by EL TIEMPO, food prices pushed inflation upward in March with an average increase of 3 percent. Most increases are reported in such products as meat, coffee, and certain fruits; nevertheless, there was a reduction in the price of onions, string beans, and guavas. Meanwhile, the Agricultural- Livestock Market Institute (Idema) has ruled out a massive importation of foodstuffs, saying national production will be enough to meet the demand. Between 5,000 and 6,000 tons of potatoes from Ecuador are expected to enter the country this semester, however. (Santa Fe de Bogota EL TIEMPO in Spanish 2 April 94 pp 1A, 1C, 3C)

Shortly after the government adopted measures restricting internal and external credits to curb inflation, the effects began to surface. Such measures resulted in dissolved businesses, postponed purchases, noncompliance with payments, etc. Banking authorities on 15 March established a 2.2-percent monthly ceiling on the volume of loans granted by banks. This measure will be effective for four months, and it is expected the growth of loans in the financial sector will not exceed 30 percent by the end of the year. (Santa Fe de Bogota EL TIEMPO in Spanish 3 April 94 p 1C)

In an interview with EL TIEMPO, Maria Mercedes Cuellar de Martinez, deputy chairperson of the Bank of the Republic, has said the economy could face serious hardships in the next few months if the government does not curb public spending. Martinez has said the measures restricting credits will have positive results only if the government does its part. The top bank official has said the country could not afford to maintain an overvalued peso, concluding a 12- to 13-percent devaluation would be "ideal." (Santa Fe de Bogota EL TIEMPO in Spanish 3 April 94 p 2C)

The National Administrative Department of Statistics (Dane) has revealed the March inflation rate totaled 2.21 percent, bringing annual cumulative inflation to 9.32 percent. In order for the government to meet its 19-percent annual inflation target, monthly inflation could not exceed 1 percent by the end of the year. The rise in basic basket product prices is mainly explained by increases in health, food, and housing services. Food prices alone increased by 2.55 percent last year, putting upward pressure on prices. (Santa Fe de Bogota EL TIEMPO in Spanish 3 April 94 p 3A)

Dane has reported industrial production rose by 6.04 percent last year, excluding coffee production, while in 1992 it increased by 4.46 percent in 1992. Dane has noted coffee production fell sharply due to reduced exports. Growth in industrial production was set at 4.05 percent in 1993. The Dane report has also indicated jobs in the industrial sector grew by 1.36 percent last year. (Santa Fe de Bogota EL TIEMPO in Spanish 8 April 94 p 1B)

Guido Nule Amin, mines and energy minister, has said investments in the energy sector are expected to total $24 billion over the next eight years. Of this amount, Nule continued, "the government will only contribute $11 billion, because we hope the private sector will come up with the rest." Among the projects in the oil industry are the development of the Cusiana oil field, construction of oil pipelines, and new exploration projects. Nule has reiterated the government will promote the private sector's participation in petroleum-refining projects to liberalize gasoline production. (Santa Fe de Bogota EL TIEMPO in Spanish 8 April 94 p 4B)

Ω Press Review of Campaign Activities

94P20641

[Editorial Report]

Samper Resumes Campaigning Following Convention

In a tour of Antioquia and Bolivar Departments, his first since the 18 March Liberal Party convention, the party's new leader and presidential candidate, Ernesto Samper, said he wants to "transform the party into a great force for change" and invited Colombians to join him in creating a social coalition called "Alliance for Colombia." (EL ESPECTADOR, 27 Mar)

During a Liberal Party gathering in Rionegro, Antioquia, on 25 March Samper announced that the party's renewal would be based on five pillars: modernization, democratization, participation, institutionalization, and moralization. Samper said he was pleased with the enthusiastic response to his "Alliance for Colombia" proposal and said that some members of the rival Conservative Party see in it the possibility of transforming their own party into one which is "less dynastic, more democratic, and more concerned about social aspects of Colombia's future," according to EL ESPECTADOR (26 Mar).

Samper and the party's new secretary general, Pedro Gomez Barrero, announced the names of those who will serve on various party committees. These include an ethics tribunal which will work in coordination with campaign ethics director Jorge Valencia; the committee for the renewal of Liberalism which will be headed by Samper's running mate Humberto de la Calle, with Pedro Gomez and national campaign director Fernando Botero acting as coordinators, and additional members to include six women, seven youth representatives, and some legislators. Carlos Lleras de la Fuente, David Turbay, Carlos Lemos, and Rodolfo Gonzalez—all of whom competed with Samper for the Liberal Party candidacy—will serve on an advisory committee. In addition, Samper appointed Carlos Lemos, Carlos Lleras de la Fuente, and former acting mayor of Bogota Sonia Duran to help direct his campaign in Bogota. (EL ESPECTADOR, 24, 26 Mar)

The candidate has also begun a new publicity campaign which, according to Samper's "image adviser" Rodrigo Pardo, emphasizes the candidate's desire for a "new social policy, since people have been the candidate's primary concern." (EL ESPECTADOR, 24 Mar) New posters are now being circulated which show Samper, his wife Jacquin, and their two sons, standing at the center of a long line of people—representing every social class and age group, as well as different races—in front of a banner displaying Samper's name in huge letters and the slogan "It's the people's time." (EL ESPECTADOR, 24 Mar) Speaking with reporters after launching this new publicity campaign, Samper said the strategy now is to spread that message, according to EL TIEMPO (24 Mar). Another version of the poster, symbolizing Samper's support for women's rights, shows Samper's wife with an all female group.

Pastrana Warns About Political Influence of "External Forces"

In a letter to Prosecutor General Gustavo de Greiff, Conservative Party presidential candidate Andres Pastrana expressed his "tremendous concern" about the "recent invasion into politics, in a brazen manner, of external forces and dealings" which he likened to "the first stages of drug trafficking in symbiosis with sectors of politics," according to the 25 March EL TIEMPO.

In a likely reference to his rival Samper, Pastrana began his letter by stating that at the start of the presidential campaign, he had "found a candidate and his political director to be running contrary to the idea of making morality and scrupulosity a campaign issue, openly discussed before the people of the country."

He went on to warn that, the "invasion" of "contraband mafias" not only "corrodes the moral fiber of politics," but makes a "mockery" of tax-paying citizens. He declared that "contraband" is the "antithesis and number one enemy" of countries seeking to strengthen ties to the rest of the world and develop competitive industries, adding that Colombia "cannot be complacent in the face of this contraband." Pastrana ended the letter with an appeal to De Greiff to investigate the matter.

Reaction to Vice-Presidential Selections

In a 20 March editorial, Liberal Party oriented EL TIEMPO expressed enthusiasm about Ernesto Samper's selection of Humberto De la Calle as his running mate, saying that De la Calle's performance as Minister of Government under Gaviria had earned him the right to be considered "a big player in the Liberal Party's future."

The paper also solicited reaction to each candidate's vice-presidential selection from the opposing candidate's campaign director and from senators of both parties.

Samper campaign director Fernando Botero described Pastrana's selection of Luis Fernando Ramirez—a member of Pastrana's own New Democratic Force faction of the Conservative Party—as the "last nail in the coffin" for Pastrana's effort to present his candidacy as one that "transcends political parties," according to EL TIEMPO (23 Mar).

Pastrana campaign director Luis Alberto Moreno said the big difference between the Liberal and Conservative tickets is the importance each places on honoring its word. Moreno noted that Humberto De la Calle went from being Samper's most ardent critic to serving as his running mate, and cited numerous quotes from De la Calle's campaign speeches which criticize Samper's proposals and accuse him of changing his views to suit public opinion.

In addition, noted Moreno, De la Calle declared on numerous occasions that he would not accept the vice-presidential slot "for any reason." In the end, however, De la Calle "went back on his word and surrendered his principles," according to Moreno.

In contrast to Samper and De la Calle, Moreno observed, Pastrana and Ramirez are "men of their word." He noted that, while mayor of Bogota, Pastrana kept his promises and later, as a senator, supported President Gaviria during difficult periods in his administation. Ramirez, Gaviria's former Labor Minister, was committed to pushing forward with social security reform despite the fact that Congress "was asking for his head," according to Moreno.

Liberal Party Senator Victor Renan Barco praised De la Calle's intellect and experience, describing him as "right on target" as a vice-presidential choice. In contrast, he described Ramirez as a "technocrat," noting that while he views Ramirez as someone who would appeal to those in central banking and national planning circles, he doubts that his appeal will be universal among Conservative voters.

Conservative Senator Fabio Valencia Cossio said the Pastrana-Ramirez ticket seeks to present an image of change, adding that Ramirez has proven himself as a public servant and is identified with some existing programs. Valencia said Samper's choice of De la Calle was based strictly on party affiliation and gives the impression that it was done to avoid division in the party (EL TIEMPO, 23 Mar).

Paraguay

Cuba's Robaina Arrives, Wants To Learn About Mercosur

PY1504205494 Asuncion ULTIMA HORA in Spanish 15 Apr 94 p 9

[Text] Cuban Foreign Minister Roberto Robaina arrived this morning at our main airport. During a news conference, he said he has not brought any concrete proposals or deals for the Paraguayan Government or Foreign Ministry. Basically he wants to learn details of the Mercosur [Common Market of the South], and to talk about his country's economic reality.

Robaina arrived in the company of four ambassadors and several journalists. He was met by Lincoln Alfieri, the Foreign Ministry vice director of protocol; Senator Carlos Alberto Gonzalez, president of the Senate Foreign Relations Committee; Senator Victor Sanchez Villagra, president of the Revolutionary Febrerista Party (PRF); and Ananias Maidana, secretary general of the Paraguayan Communist Party.

Robaina indicated that he has not brought a list of deals, that he is visiting "to allow the Paraguayan Foreign Ministry to explain to me the interest that has made me tour the Mercosur countries." [sentence as published]

He then commented on what he believes our Foreign Ministry might find of interest—in other words, to what extent Cuba is implementing a foreign policy in which Latin America is a priority, as attested by the fact that very shortly the countries of the continent will hold an Iberoamerican summit where opinions will be heard and where Cuba will be discussed.

The Cuban foreign minister stated that Cuba has a new image and that its government wants this image to be made known to the countries of the region within the framework of the diplomatic offensive that is embodied in this visit to several countries, including Argentina, Uruguay, and Peru.

He indicated that today Cuba is a ready and attractive market for foreign investment, and is an open market. He indicated that Cuba can offer highly technical development, pharmaceutical and medical industries, and proposals for sports, scientific, educational, and cultural sectors.

Robaina maintains that he wants to polish Cuba's image and project its new economic reality.

The foreign minister said that although there are no diplomatic links with Paraguay, there have always been contacts and dialogue in various American forums.

The Cuban minister will carry out a series of activities that include meetings with the top political leaders of the traditional parties and with businessmen.

ABC COLOR: 'Inappropriate' To Be Tolerant Toward Cuba During Robaina Visit

PY1504155294 Asuncion ABC COLOR in Spanish 15 Apr 94 p 14

[Editorial: "Relations With Cuba"]

[Text] Mr. Roberto Robaina, the Cuban foreign relations minister, will arrive today on an unofficial visit. In the name of pluralism (a concept that in Cuba does not really apply), some criticism has been heard over the small amount of attention the executive branch reportedly intends to give him, as well as some favorable comments on restoring diplomatic relations between the two governments.

It can be assumed Mr. Robaina is coming to our country with a clear goal. Therefore, it is right—as scheduled—for the Paraguayan Foreign Ministry to receive him and listen to him. As there are no diplomatic relations with the current Cuban regime, there are no protocol reasons for any other official attention.

There are no special reasons why Paraguay should restore relations with the Cuban regime. Relations presuppose a certain level of affinity or, at the least, some very specific and dynamic interests that make them necessary. It is abundantly clear that neither of these two factors stimulate Paraguay's restoration of diplomatic relations with Cuba.

The only possible interest worth mentioning would be limited to some direct trade. Diplomatic relations are not essential for such trade. It is enough to establish trade bureaus like those used by Taiwan to maintain their very dynamic and significant trade operations with a number of nations with which it does not have any formal diplomatic ties.

The meaning of a Cuban diplomatic mission in Paraguay remains unknown, but it may well be assumed that establishing a Paraguayan mission in Havana might be viewed by the Cuban people as a gesture of approval and—eventually—support for its regime, one of the last and strongest dictatorships still remaining in the continent.

Paraguay should be interested in friendship with the Cuban people, but not with a government and political system that has made hundreds of thousands of Cubans choose, whenever possible, to go into exile and to force many others to continue to challenge the regime's iron-clad surveillance and the sea's perils to seek in a foreign land the liberty denied to them in their own.

As a nation with a long experience in the restriction and denial of liberties and political harassment and repression—involving widespread fear, imprisonments, and exile—we should not be interested in dealing with any tyrant, regardless of his leanings.

Out of respect for the liberty restored in our country—as well as the respect that any nation deserves even though deprived of such liberty—it would be inappropriate to take any step that might even be viewed as tolerance of an unmistakably dictatorial regime like the Cuban regime. So, let us use our inevitably limited efforts to strengthen friendly ties with free nations.

Peru

Shining Path's Guzman Reiterates Call for Peace Agreement

PA1704030194 Madrid EFE in Spanish 0145 GMT 17 Apr 94

[Text] Lima, 16 Apr (EFE)—The pro-Maoist Shining Path guerrilla group today called for a peace agreement with the government by sending to a Lima television station a video that showed a hooded man reading a letter from Shining Path leader Abimael Guzman. The message read by the hooded man, who was accompanied by another hooded Shining Path member, emphasizes the need to reach a peace agreement with President Alberto Fujimori's administration.

The letter states that the Communist Party of Peru, which is Shining Path's official name, feels that because the government "has made progress in its efforts following 5 April 1992"—the day Fujimori staged a self-inflicted coup through which he dissolved Congress and assumed total power with the support of the military, the Communist Party of Peru "has thought at length about this situation."

The message adds: "The party and its Directorate must make a decision, because, if in the past we advocated a popular war, we must now reach a peace agreement."

The letter points out: "All popular war activities must be suspended, except those that are defensive in nature, under the condition that the government also suspends its activities." Once this condition is met, the hooded man added, a peace agreement can be reached.

A few days ago, President Fujimori said he received a third letter from Abimael Guzman, which he did not plan to divulge. He added that this letter was stored in a safe to which he alone knows the combination.

In October 1993, Guzman sent two letters to Fujimori in which he also called for peace and appealed to his followers to suspend their violent activities. This appeal, however, has gone unheeded by at least one Shining Path faction. In his letters, Guzman, who was arrested on 12 September 1992 in Lima and has been sentenced to life in prison, did not say that he had surrendered.

Military Joint Commander Views Antinarcotics Struggle

PY1504220494 Lima LA REPUBLICA in Spanish 3 Apr 94 p 2

[Text] General Nicolas Hermoza Rios, the Armed Forces Joint Commander and Army Commander, has said that more than 100 Army personnel have been sentenced so far for their involvement in drug trafficking.

Gen. Hermoza said Army personnel who commit crimes while on duty and who allegedly protect traffickers are immediately discharged and brought before a military court.

He said: "I believe the military court can best investigate these cases. If suspects were brought before a civilian court today, I am sure many guilty criminals would be released tomorrow."

Hermoza Rios said that only when an Army member is caught red-handed with irrefutable evidence and witnesses to link him to this kind of crime is he then taken to a civilian court.

Following an operation in the Satipo military base, Gen. Hermoza spoke on the program "Dialogue" broadcast by Channel Two. He said that in the past few weeks traffickers had suffered harsh blows.

"We are all witnesses to the accomplishments of the forces of order during operations in Madre de Dios, Inapari, Manu, and now in Satipo, in which important trafficking networks were dismantled," he said.

He said the operations carried out in these remote parts of the country follow a strategy ordered by President Alberto Fujimori to eradicate drug trafficking.

He added that terrorism is about to disappear in the Huallaga Valley. It is expected that the military front in the zone will eradicate the Shining Path at the same time it ends trafficking.

"These actions have forced the traffickers to move to other drug production and storage centers, like Madre de Dios and Satipo, where clandestine airstrips for the departure of airplanes that carry drugs have been found," he said.

Gen. Hermoza said he is not worried by the investigations and criticisms of some journalists about the struggle against traffickers.

He said there is a campaign to discredit "the Armed Forces" through unfounded attacks.

"These attacks are not isolated but are made within the framework of a campaign to discredit our Armed Forces and to destabilize the democratic process in Peru," he said.

Gen. Hermoza said the media will never be censored because freedom of press and expression are the main bastions of democracy.

Gen. Hermoza likewise ruled out disagreements between the Armed Forces and the National Police, saying that their drug enforcement task is being carried out in total harmony and coordination.

He said that at every military intervention against traffickers a prosecutor and a police representative are present, adding that the drugs confiscated during the operation are handed to them.

"There is close cooperation at all levels. It is good to see that unity and discipline are being maintained despite the difficult conditions in which we are carrying out this struggle," he added.

He added that the successful anti-trafficking policy in Peru is not based on support provided by the DEA but to an appropriate strategy developed by the government through the national Armed Forces.

"Nowhere in the world has a problem like trafficking and terrorism been combated with so much success as is currently being done in Peru," he said.

He recalled that in November last year the Armed Forces Joint Command correctly evaluated the government provisions to eradicate terrorism from the country and to consolidate national pacification according to the law.

He denied that these actions seek to improve the Armed Forces image in face of the serious charges against some of its members for being involved with drug trafficking. He said the Armed Forces began to participate in the struggle against trafficking and terrorism when the work exceeded the capability of the police force.

"These social scourges represented at a given moment an imminent risk and danger to national security and the survival of our nation, which is why urgent measures had to be adopted," he said.

Gen. Hermoza said the legal framework established by the current regime has allowed the Armed Forces and the National Police to carry out their task appropriately in the most troubled zones of the country.

Draft of National Antidrug Control Plan Disclosed

PY1504232894 Lima EXPRESO in Spanish 3 Apr 94 pp A14-A15

[Article by Liz Mineo]

[Text] The creation of the National System for the Control and Repression of Drug Production and Drug Trafficking [Sistema Nacional de Control y Represion de la Produccion y el Trafico Ilicito de Drogas] is the most important contribution encompassed in the national antidrug plan drafted by a commission of experts at the government's request.

According to the draft, this new drug control system will group all the many dispersed antidrug government actions which need to be centralized and organized.

The new Peruvian Government antidrug policy organization will fulfill functions similar to the Office of National Drug Control Policy, which drafts, centralizes, and implements the U.S. Government's antidrug strategy under the leadership of Drug Czar Lee Brown.

The influence of the U.S. model does not stop there, because the National Drug Control and Drug Prevention Plan [Plan Nacional de Prevencion y Control de Drogas]—which is already in President Alberto Fujimori's hands for study and approval—is a Peruvian version of U.S. goals, objectives, plans, and programs in this area.

The Peruvian program encompasses drug production and drug trafficking; alternative development programs; and drug prevention, treatment, and rehabilitation.

The plans call for the national system to be divided into four subsystems, each of which will concentrate their efforts on drug control and drug repression activities in the battle against drugs; the deviation of chemical precursors and inputs; the transfer of funds and laundered money; drug production and drug trafficking; and the smuggling of arms and explosives.

These subsystems will be subordinated to the central organization, which will be in charge of the planning, coordinating, controlling, and information and decision-making process of the antidrug efforts to be undertaken by the Peruvian Government from 1994 to the year 2000.

In addition to creating this arm for the antidrug struggle, the plan has 20 other objectives, among which are the development of the alternative development program, the monitoring of coca crops, the safeguarding of the environment, and the development of research programs for the beneficial use of coca.

The main objectives are centered on the gradual reduction of coca crops, the repression of drug production and drug trafficking, and decreased drug use.

By the year 2000 the goal of this ambitious project is to incorporate through the alternative development programs at least 50 percent of the peasant population currently involved in coca production for illegal purposes in legal farming activities.

In addition to alternative development, the plan proposes a strategy based on the establishment of legal and institutional order.

According to the draft, during the 1994-2000 period the promotion of the alternative development program will be granted "top priority" with the objective of achieving the reduction of coca crops used for illegal purposes.

The national antidrug plan, the first of its kind in our country, was drafted by a multisectorial commission headed by General Arnaldo Velarde Ramirez, Peruvian representative to the OAS Inter-American Committee for the Control of Drugs and Drug Abuse (CICAD).

The commission was established in November, and is made up of representatives from government ministries, with support from the United Nations International Drug Control Program [Programa de las Naciones Unidas para la Fiscalizacion Internacional de Drogas] (PNUFID) and prominent experts on the matter.

Ineffectiveness of Antidrug Plan Viewed

PY1504190694 Lima EXPRESO in Spanish 4 Apr 94 p A8

[Article by Liz Mineo]

[Text] Since February 1978, when the government promulgated the first national antinarcotics law, the antinarcotics struggle in the country has been characterized by its isolated efforts and meager results.

At the end of the 1970's, cultivated coca production did not surpass 30,000 hectares. Last year it surpassed 150,000 hectares, according to the Ofecod [Executive Office for Drug Control], which is under the jurisdiction of the Interior Ministry. Some less conservative statistics suggest the total is about 300,000 hectares.

U.S. sources have stated that from 1978 to 1993, drug trafficking activities which were previously concentrated in the Upper Huallaga Valley expanded at the national level. Some 200,000 families now farm coca and manufacture cocaine paste. Drug-related activities generate an income of about $2 billion per year within the Peruvian economy.

Many experts believe the failure of the antidrug struggle follows the lack of an antidrug strategy and the absence of an organization to plan, coordinate, and implement it.

The national drug prevention and drug control plan seeks to resolve one of the most vulnerable points of the antidrug struggle in the country by establishing an organization to centralize all government efforts in this field.

The General Law on Drugs foresaw in 1978 the need to establish an organization to draft a drug control policy, to implement it and to coordinate all the actions to be developed.

Law No. 22095 established the Multi-Sectorial Drug Control Committee (Comucod) [Comite Multisectorial de Control de Drogas], an organization to approve the government's antidrug policy; and the Ofecod, an executive and coordinating organization. Under the law, Comucod was to comprise six cabinet members and an alternate from the Supreme Court. The truth is that Comucod did not fulfill the duties with which it was entrusted by law and never really worked.

Ofecod came under the jurisdiction of the Interior Ministry. It was to have controlled drugs, and implemented and coordinated government actions. As it turned out, Ofecod handled administrative functions of disposing of the goods seized by the police during antidrug operations and ignored the other duties with which it was entrusted by law.

Experts believe neither of these organizations completely fulfilled its duties. This, undoubtedly, directly influenced the expansion of coca farming and trafficking at the national level.

The lack of leadership, and the dilution and ineffectiveness of government actions in the antidrug struggle, became obvious in the early 1980's.

The main institutions involved in the drug control program at the time were: the National Coca Enterprise (Enaco); the Upper Huallaga Coca Control and Reduction Agency (Corah); and the Upper Huallaga Development Program (Peah).

Enaco was the government organization responsible for the monopoly, legal marketing, and industrialization of coca. In fact, it only captured an insignificant part of Peru's coca harvest which was mainly being grown for drug traffickers.

Corah, which was entrusted with coca eradication programs in the area, eliminated several hundred thousand hectares of coca in the Upper Huallaga region but paradoxically the valley became the main coca producing region in the world.

Peah, which was responsible for promoting alternative farming programs in coca producing regions, yielded insufficient results and enjoyed little support among coca farmers.

Some experts said the failure of these government organizations to control coca farming and trafficking lies in the fact that trafficking is merely considered a criminal activity that must be disciplined with police repression and severe legal punishments.

For a long time the antinarcotics struggle was only based on repressive actions. The police were the main organization entrusted with conducting these repressive actions through its diverse specialized units—among them the Mobile Rural Patrol Unit (Umopar), which was involved in the compulsory eradication of thousands of hectares of coca; the former Drug Police Division (Dipog); the Illicit Drug Traffic Investigative Division (Dintid); the Antidrug Division (Dirandro), which later became the Antidrug Division (Dinandro).

Even today repressive actions are still prevalent. The number of actions has risen since July 1992 when the government established the Internal Operations Front Command (COFI), which falls under the jurisdiction of the Armed Forces. This is the top organization, responsible for the planning, implementation, and control of the struggle against drugs and terrorism.

In the last few years, in addition to repression, the authorities have introduced the strategy of alternative development. This program seeks to replace economies based on coca farming with the alternative farming of legal crops and an improvement in the standard of life in coca-producing regions.

The Peruvian Government has acknowledged the prevalence of the economic and social problems that encourage trafficking. It paid particular attention to alternative farming but its results in practice have been almost nil. Neither the Institute for Alternative Development (Idea), nor the Autonomous Authority for Alternative Development (Aada) were ever implemented. Considering the antidrug draft bill grants "the highest priority" to the alternative development program, there are great expectations that this time around, this program will finally be implemented.

Unions Ask U.S. To Make Fujimori Change Labor Policy

PY1504181894 Lima EXPRESO in Spanish 3 Apr 94 p A3

[Excerpts] An attempt is being made to have the U.S. Trade Representative (USTR) influence the Peruvian Government into changing the labor reform it is implementing and adopting new labor policies. The statement is included in a document prepared by the Coordinating Board of Peruvian Labor Federations, which is led by Teodulo Hernandez.

The document, signed by Peruvian union organizations, states that the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) believes that the Peruvian Government "is seeking to compete with U.S. manufacturers by using a system based on an overworked, cheap work force."

"This," the document adds, "is not a model compatible with the needs of a reasonable, productive trade integration."

The document admits that these conditions could be brought to bear upon the Peruvian Government by recommending the suspension of duty-free imports of Peruvian products by the United States. [passage omitted]

The U.S. Government could fall into the trap of pressing for the elimination of our labor reform by threatening to take retaliatory measures.

The document notes that the USTR is expected to make a decision in June in which he could affect approximately $300 million worth of Peruvian exports.

The document states that this could happen "unless the Peruvian Government makes substantive corrections in its policy toward trade unions."

The document says that U.S. officials have received reports that "Peruvian union representatives" may have been "publicly threatened by representatives of the Fujimori government" with being "brought to trial before military courts and sentenced to life on charges of treason to the fatherland." [passage omitted]

The Peruvian trade unions state that their demands are designed to bring about changes to "restrictions imposed upon the free action of unions in our country, or otherwise face the exclusion of Peruvian exports from the Generalized System of Preferences (GSP)." [passage omitted]

Armed Forces, Police Salaries To Be Increased

PY1504202894 Lima EL COMERCIO in Spanish 5 Apr 94 p A4

[Text] Carlos Blanco Oropeza (New Majority-Change 90), the vice president of the Congressional Budget Committee, has reported that Armed Forces and National Police salaries will, like education and health sector salaries, be increased by 100 soles.

Most of these disbursements will be covered by financial reserves that total more than 2.3 billion new soles. Some 840 million new soles of the national financial reserves have been allocated to fund the salary policy.

Some 215 million new soles were allocated for school expenses, Christmas bonuses, and other labor obligations. He reported that more than 1 billion soles have been set aside for salaries.

With regard to the date when the salary increase will be granted to Armed Forces and police personnel, Blanco said the executive branch must decide.

He said the Budget Law originally contemplated the increase on two different dates: The first 70 new soles in February and the remaining 30 new soles in August.

Regarding the first three-month balance of the National General Budget, Blanco said the committee must wait for an Economy Ministry report before commenting.

Uruguay

Senate Rejects Constitutional Reform Bill

PY1504212594 Montevideo Radio Carve in Spanish 0000 GMT 15 Apr 94

[Excerpt] The Senate has rejected the constitutional reform bill. The group of senators who proposed the bill are frustrated over the failure to approve the bill after several months of negotiations. There were various short recesses to try to iron out the differences but the bill was finally rejected. Against the motion were senators of the Battleist Forum, the Cruzade 94, and the Broad Front, which added 10 votes to the total [sentence as heard]. The bill was supported by senators of the National Party, Colorado and Battleist Union, List 15, and the Government of the People.

The element that brought about the failure of the bill was the proposal presented by the group headed by Julio Maria Sanguinetti, who wanted to submit the reform to a plebiscite on the last Sunday of November, that is, the same day as the national elections. This proposal also included the elimination of cross-party voting and the approval of a norm allowing a system of coalitions between parties with multiple candidacies. The proposal was rejected by the National Party. As a result, the reform was rejected. [passage omitted]

Cuban Foreign Minister Robaina Interviewed

PY1604020094 Montevideo BRECHA in Spanish 8 Apr 94 pp 8-9

[Interview with Cuban Foreign Minister Roberto Robaina by Maria Urruzola; place and date not given]

[Text] [Urruzola] The day you arrived in Montevideo, you made some remarks with respect to the "model of economic transformation within which we are working." However, Carlos Lage [Cuban Council of Ministers Executive Committee secretary] told GRANMA last November that they were not looking for a new model, as the whole point was to maintain the socialist model. Don't you see a contradiction between these remarks made by two key members of the present political leadership?

[Robaina] The way we expressed ourselves might seem contradictory, but deep down we are talking about the same thing. I prefer to explain things publicly rather than look for a label for the model. I do not want to maintain a label that is no longer entirely correct, nor import a label that is not ours. That is why I decided to summarize the model within which we are working—for anyone who might insist on finding a label for it—by saying that it is a viable Cuban economic model where many things can be modified, where there is room for other things, and where the essence of many things is maintained. Those are the things Lage defends, with all clarity. About the modifications, I expressed myself in one way, and Lage in another. But it is clear that we are not talking about a model that is identical to the one we had before, because substantial differences already exist.

[Urruzola] You are part of the generation of Cubans who were educated under the principle that "Cuba belongs to the Cubans," even if they make mistakes. That is changing today. You accepted opening a space for foreign capital in the country's economy. At some time you will have to deal with that capital's interference in the decisionmaking process. When I was in Cuba I perceived that the people had certain difficulties in accepting that.

[Robaina] Only "certain difficulties?" Cubans have a lot of difficulties understanding that. But the success of what we defend depends not so much on the resemblance of what we are doing with what we supported in other circumstances, than on our capacity to adapt ourselves to the moment in which we are living. In the same way I was educated in that concept you mentioned, I was also educated to adapt to new times. In this process of adaptation the point is to know to what extent Cuba continues belonging to Cubans under the new rules of the game. We cannot continue to stagnate. But I would be lying if I said that the process is clearly or easily understood. It is a very complex and tough process, even for the new generations, as they were educated based on a series of tenets that are today in one way or another being adjusted. We need to do a lot of persuading and convincing.

[Urruzola] What do you mean when you talk about "what we defend" or "the essence?"

[Robaina] For us the essence is sovereignty, independence, to be able to speak with one's own voice, and not wait for someone to signal to us what we must do when there is something in the world we must speak about. We do not want the infant mortality rate to rise, or life expectancy to drop. We do not want to need money, support, or relatives' help to act professionally. We do not want to stop doing our best in the Olympic Games. We want to continue to develop our scientific world. For us the essence is not disturbed if we accept mixed associations in our economic model, or liberalize work, or let one work on one's own, or hand the land to peasants for their use for an indefinite period, or reorganize the state administrative apparatus.

[Urruzola] Nevertheless, with the new economic situation in Cuba, scientists, university students and professors, and intellectuals have been particularly harmed. Given their relationship with government organizations, they are still earning 300 pesos, which is equivalent to $3. At the workers congress of the National Research

Center I heard scientific researchers saying: "They are forcing us to do things that we do not want to do." Is it not a serious risk that precisely that sector which must find a solution to the country's problems is in such a situation?

[Robaina] My country is a country of many risks. We nevertheless prefer to run these risks instead of running a more serious risk: that of not facing life, and believing that problems will be resolved in some other way. Cubans do not sit back and do nothing. Cuba believes that, under circumstances such as these, it is actually through the discussion of all the issues by workers' congresses that the wise voice of the people, which will convey to our country's leadership the need to introduce new transformations, will be raised. These transformations, for example, include putting domestic finances on a sound footing so that sectors like that of the scientists will not in some way be harmed after all the contributions they have made to our country. This does not merely involve deregulating the dollar, but also finding compensation mechanisms for the sectors dollars do not reach. This is the challenge.

[Urruzola] The state's role in the previous period, that is, when measures to become self-sufficient were not taken, is now strongly criticized on the island. Not everyone believes that the current situation has arisen solely from the downfall of Eastern Europe and the U.S. blockade—about which there is also discussion of its real economic impact—but people talk about "squandering" and "irresponsibility." Has your country's leadership been unable to devise alternative economic policies?

[Robaina] We have openly done a self-examination on this issue. In my opinion we were overconfident. For a long time we got used to the existing pipeline and to the mechanisms that guaranteed certain sectors. This led us to believe they were guaranteed for life. We thus neglected, for example, the arable land and the habits that made the population consume or not consume the currently successful crops.

It is a very serious responsibility that we are taking on as a state. When we began to change, we believed that we would have more time, but we were overwhelmed by an extremely tough situation in a period of time much shorter than had been envisioned. This is one of our dilemmas today: to what extent the state must remain in those areas in which it has demonstrated efficiency, and what the priorities for change might be in those areas in which it has not. I believe the phenomenon of mechanically transferring mistakes or copying models is very clear. Therefore, with both calmness and alacrity, we must avoid running into the same stumbling block. Everywhere there are positive and negative experiences, but we cannot—again—mechanically transfer policies from others. I share the opinion of those who must have told you that for some time the state implemented measures that led us into stagnation. I am also among those who believe that, even though the blockade represents the greatest problem in coping with the current situation, there are also problems that do not depend on the U.S. blockade. There is a second blockade that life has imposed on us. And there is a third blockade that involves us, that depends on our mistakes, our bureaucracy, and our inability to resolve some issues. There are many things on our shoulders, but all depends on what we are able to do. Our country cannot remain waiting for the blockade to be lifted. We must constantly condemn it, and sooner or later it will be lifted, but we cannot wait, sitting back and doing nothing. Undoubtedly we had to learn things in a tense and very difficult situation. Had we done these things before, the country would not be experiencing the current economic situation.

[Urruzola] Until recently you headed the Union of Young Communists. You must therefore be well acquainted with young people. Apparently, most of those who are 20 years old dream of leaving Cuba. Those who are 30 years old hope to be free to leave and enter Cuba, a freedom they do not have nowadays because of laws or regulations that have existed for many years. Isn't this at odds with the current situation?

[Robaina] The situation is, first, not only no longer the same as that which prevailed many years ago, but it is also no longer that which prevailed a few months ago, either. The ability to enter or leave our country currently does not depend on Cuba's having more or fewer regulations. For the first time Cuba is now under the same conditions as the rest of the world, and the people's only limitation—which is serious, essential, and very complex—is the lack of money or foreign currency.

[Urruzola] University graduates, for example, say they require the education minister's authorization to go abroad.

[Robaina] Incidentally, I was going to discuss the issue of professionals. As in any country in the world, some people are subject to regulatory processes, not for traveling, but for certain proceedings that are required depending on their task. As never before, we have become more flexible concerning age limits, proceedings, and paperwork. Even though this issue has not been entirely resolved, I assure you it will be resolved soon, because it will be one of the points for discussion during a conference on emigration scheduled for 22-24 April. Many of these migration issues were proper for a time that has definitely been overcome. In the past, people eagerly sought travel. Now there is a process that will be increasing as regulations are removed. In this process, people will discover their own ways. Nowadays many talk about leaving because they have not experienced what is felt when one leaves. Nevertheless, it has become normal for people to leave and return, even with unexpected frequency. Some people believed hundreds of people were going to remain abroad. Actually there are hundreds of people who returned with their own conclusions. We are experiencing a normalization process, not only for those who are inside and want to leave, but also for those who are outside and want to enter.

[Urruzola] For many years the issue of Cuban exiles has been marked by politics. In other words, those who were leaving were "worms," or leaving was tantamount to betrayal. This caused an entire generation, your generation, to grow up harshly criticizing their fellow countrymen living abroad. All of a sudden this does not apply, and the people are told that the Cubans living abroad, save those who are engaged in "hysterical politics" as you have described it, have a right to become concerned about your country's destiny. This represents a very drastic change.

[Robaina] I do not believe it is all of a sudden. We are talking about 30-odd years, and there are precedents for this new period. It is not the first time that our country has maintained a relationship with Cubans abroad. And changes are taking place not only within our country, but also outside. Now the Cubans who are living in other countries are not characterized by the historical attitude of those who, committed to politics, claimed for themselves the total and absolute representation of the Cuban community abroad. Part of this community has remained silent for many years, fearing harassment, but now it is no longer silent, and the hysterical people are actually concerned. My country requires people from outside to become familiar with our internal situation, and the people inside need to become familiar with the outside situation.

I believe our country needs to understand that today we have two paths: Either we hold out our hand and control the Cuba-emigration connection as does any country in the world, in a normal and civilized relationship, or that large mass of people will remain instrumental to policies hostile to our country. This must be understood, and overstatements must be avoided. If they were called worms at a given time, it was proper in a given situation. It is also not necessary to cry repentance because, as I have already said, it actually is important to be abreast of the new times and stick to essentials. And it is essential for this relationship to be normal and fluid. There is a limit to this: All those who left our country do not have a right to tell us, those of us who remained in our country, what to do. These are the rules of the game that my country imposes today for talks and rapprochement. It would not be true to tell you that everyone understands this. And I believe in the people who harbor doubts. I believe they are more sincere and more authentic. And I am willing to talk and discuss things with these people.

[Urruzola] According to Cuba's current legislation, the foreign capital that is eligible to invest in Cuba is that belonging to companies or individuals residing abroad. Does this mean that Cubans living abroad will be able to invest in their country?

[Robaina] This is a very serious problem. From a legal standpoint Cuba cannot embark on a foreign investment drive saying that "everybody except Cubans who have left the country are eligible to invest here." No country in the world would tolerate or understand this. The problem lies in the fact that the country in which they want to invest is a country they have left, and there are wounds that have not yet healed. In my view, we have to build a climate of trust through foreign investment in general, because there are many Cubans who are not yet convinced that the country needs foreign investments, and still less that those who left Cuba should be allowed to invest here. The country has just implemented an opening drive. There is therefore no need to give precedence to Cubans residing abroad, but by the same token we cannot say that they are the only ones who are not eligible to invest in our country. The challenge that we now face is to try to find a happy medium, something that is indeed quite difficult for us Cubans.

[Urruzola] There will come a moment when, of necessity, Cubans living abroad will invest in Cuba.

[Robaina] Precisely.

[Urruzola] Will this fact lead to the question: "And why not Cubans who live on the island?"

[Robaina] That will be at a later stage. It is obvious that we cannot limit ourselves to the Cubans that went into exile, as this would entail other problems. Scientists will contend that they, who stayed behind to do research and were thus unable to amass a fortune, are not allowed to invest in their country, while others who made money through other means are allowed to do so. These are unavoidable risks; and as you see, they cannot be solved overnight.

[Urruzola] I was told in Cuba that of every 10 youngsters who reach the age limit for affiliation with the UJC [Young Communists Union], approximately nine do not want to join the party. At a university, faculty members even told me that they were having trouble having students elect class delegates, because youngsters did not want to be elected. Have Cuban youngsters gotten tired of politics?

[Robaina] One needs a lot of background information to make that judgment, and I personally do not share that view. During their first years at school, just to cite the example you brought up, students always ask themselves whether or not they should take on political responsibilities incident to the life of young university students, which is something very complex. I can assure you that the UJC registered an all-time growth in 1993—100,000 youngsters affiliated with it.

[Urruzola] There are those who contend that party affiliation used to be selective in the past, whereas now there is mass affiliation.

[Robaina] No, there is no mass affiliation at any level. The selection criteria are even more strict, as affiliation is no longer dependent on the request made by a youngster to join the party, as was the case for some time, but rather on the decision to accept or reject this request made at a board meeting. Yet the underlying subject concerning the UJC is that it should not only devote itself to working with militants, but rather extend its wings to target the mass audience. Furthermore, party affiliation by youngsters has always had its ups and downs, in every place and every province, and even according to the work of the party itself. Many times the UJC is blamed for this. And yet things do not always depend on the UJC, but also on the party in general and the party in particular, and on the body the youngsters are to join.

I believe the greatest exchange of ideas undoubtedly continues to be among the young. Even though throughout the world signs of apathy can be seen most clearly among the young, things are different in Cuba, as there are a great number of youngsters involved in economic, political, scientific, and social pursuits. And yet to contend that the change the country is undergoing has had no repercussions would be to deny something that has been traumatic, for example, for my generation. The most important challenge that the UJC faces at present is to come to grips with a process involving 5.7 million Cubans who are under 30. What my parents considered sacred conquests, to be defended until death, are nothing novel to any of us as this was already in place when we were born. Moreover, the young do not like to be constantly reminded that they never lived under capitalism, because they are not to blame for that. One cannot establish dialogue or the rules of the game on the basis of these codes. I do believe, however, that the key to success is that they feel they are participants in and masters of their pursuits; otherwise they will not defend them.

[Urruzola] Do you feel you are participating today?

[Robaina] I think young people are participating. I am not saying an overwhelming majority of them; nor do I believe in the concept of unanimity. I believe in the thousands of young people who participate in the country's development, although I also know that many young people feel disillusioned with our project, for family, social, or political reasons, or due to foreign influences. Or better said, they do not feel enthusiasm for our project, but feel attracted by the siren songs emanating from abroad.

When the blockade is lifted it will not only be medicines and food that Cuba will receive. The country and the new generations will have to face much tougher decisions than the ones we are facing today. The discussion will be at the level of values, ideas, and lifestyle. The enemy is not as clearly perceived as before, which is complex and difficult to understand for young people. I think what Cuban young people need most today is to learn about young people in the rest of the world, and how they live. Their biggest problem is that they do not value what they have today. This attitude is also due to an excessive paternalism developed over a long period of time.

[Urruzola] When I visited Cuba I did not feel that Cubans were really concerned about the issue of a multiparty system. What seems important is the separation of the state from the party, the revaluation of civilian society and the role of citizens. Cubans seem to want the party reduced to a more specific role. They seem to want the party out of numerous areas where its opinion and decisions are not necessary. Is this so?

[Robaina] I am glad you have perceived both feelings, particularly the one referring to the multiparty system, which is not a priority in my country. The world has taught us that like it or not, accept it or not, the single party system in my country, in practice, has resolved more situations that the multiparty system in other countries. It is a very typical Cuban solution. We implemented it because of a threat that has not yet disappeared. The interest in setting limits on state and party responsibilities is not only society's concern. The party itself is concerned about the problem. The issue was discussed at length in recent meetings. When the party started administering the country, it neglected more appropriate political tasks. Besides, it was not prepared to administer, and did not do a good job. We realize that clearly. The important thing today is to determine what party role we should strengthen, which roles are appropriate, and how to strengthen the state and the government, also through their own particular roles. That means we must strengthen state power structures and establish state jurisdictions which for a long time were very much superimposed. This situation made it very difficult to know who was responsible for what. In this sense we started walking down a certain path. But there are more things that we must still do than things we have already done.

[Urruzola] On that path there has already begun to appear something that will probably increase with time: the Cuba of differences. Differences of possibilities, opportunities, and dollars. This is seemingly provoking an irreversible deterioration in the ethical values on which the revolution was built. Does the country leadership perceive it that way?

[Robaina] That is part of the inevitable risk. We know that it will be worse if we do not face reality. I think you are correct. Today we live a world of differences. But I think it is also necessary to make clear that it was much more serious when those differences existed in an illegal world. The elimination of penalties for holding dollars did not create differences, it only brought to light things that already existed. The options we had were either to ignore that reality, or to face it and seek mechanisms to compensate for it.

We sought mechanisms to prevent society from going backwards. We wanted society to continue having a solid base, a structure of extremely rich moral values. That is not easy to implement. Even in the Cuba of differences, there are a lot of examples of solidarity and equality. For instance, when young people working in the area of tourism decide, on their own initiative, to share their incomes with others working in sugar harvesting. Or when someone receives hard currency and purchases staples for himself and his neighbors, or tennis shoes for his children and a friend's children. Cuba is not only a country with differences. It is also a country where people share. But it is true that we are facing an important challenge in the area of values and ethics.

Venezuela

Defense Minister Hints Foreign Military Presence Unacceptable

PA1504224094 Madrid EFE in Spanish 1954 GMT 15 Apr 94

[Text] Caracas, 15 Apr (EFE)—Venezuelan Defense Minister General Rafael Montero Revette said today he does not think "the installation of foreign military forces will be accepted" in his country; he was referring to the possibility the United States could install a military base in Venezuela.

Montero told journalists the topic was discussed during a meeting he had yesterday with General Barry McCaffrey, commander in chief of the U.S. Southern Command.

Montero refused to comment on whether Colombia will permit the installation of U.S. military forces in its territory.

"We cannot speculate on that, and I do not know if Colombia will accept it," Montero said. He said, however, the Venezuelan Armed Forces' position is contrary to a foreign military presence in the country.

Montero said during his meeting with McCaffrey they discussed relations between both countries' Armed Forces and the drug-trafficking problem.

Regarding President Cesar Gaviria's proposal of creating an OAS multilateral military force, he said: "Each country is sovereign, and we are not going to have a regional intervention force; we do not favor creating a multilateral force."

Regarding the internal political situation, Montero said: "Venezuela knows it wants peace and to overcome the present economic crisis." He ruled out a possible new military uprising if the government does not overcome the present crisis, contrary to what Lieutenant Colonel Hugo Chavez, head of the 4 February 1992 coup attempt, has said.

Congress Approves Special Powers Law; Congressmen Comment

PA1504133394 Caracas Venezolana de Television Network in Spanish 2350 GMT 14 Apr 94

[Report by Jose Marcano from "The News" program]

[Text] The Venezuelan Congress has approved the Special Powers Law granting special powers to the president to decree economic and financial measures. The law was approved in the same form passed by the Chamber of Deputies, despite dissenting votes by Democratic Action.

Article 1 includes a luxury consumption and wholesale tax and repeals the value-added tax. It reforms the income tax law and the basic tax code and includes a tax on bank account debits. Article 5 reforms the Stamp Tax Law, and Article 6 extends the deadline set in Article 22 of the Basic Budget Law for the executive branch to submit the draft budget to Congress each year. Article 7 establishes norms regulating the concession of national public projects and services.

[Begin recording] [National Convergence Senator Bernardo Celli] We are remembering that people are an important factor in all social processes. The current law is a combination of something economic and something social.

[Radical Cause Deputy Alberto Muller Rojas] Congress must maintain control over certain legal instruments that have the potential to seriously and adversely affect Venezuelan citizen.

[AD Senator William Davila Barrio] We are opposed because we are talking about a matter that will have a deep impact on the state as well as society. [end recording]

After the Special Powers Law is enacted and published in the official gazette, the president of the Republic has 30 days to implement all the measures contained in the law. That means the special powers will only be granted to the president for 30 days.

President Signs Special Powers Law

PA1604025494 Caracas Venezolana de Television Network in Spanish 2350 GMT 15 Apr 94

[Report by Rayma Rondon from "The News" newscast]

[Text] Less than 24 hours after congressional approval, President Rafael Caldera signed the Special Powers Law.

The new law, which grants special powers to the president, allowing him to legislate economic and financial issues, will become effective on 20 April, when it will be published in the official gazette.

President Caldera is to discuss in full that same day the Special Powers Law during the Council of Ministers meeting. An official source has disclosed the Projects Concessions Law [Ley de Obras por el Sistema de Concesiones] will be one of the first laws up for approval. The executive branch believes this is an important law which is expected to stimulate the economy.

[Begin recording] [Allan Viergutz, Venezuelan Oil Chamber president] We believe the Concessions Law is very convenient. We believe there is a need for creative measures that would lead to new options that will benefit the country. These measures will allow the government to deal more efficiently with the fiscal deficit, high interest rates, and the problem of unemployment. This law will stimulate the economy. [end recording]

It was learned the executive branch, during the 30-day period the Special Powers Law allows, is prepared to promulgate all decrees established in that law.

Military Court Dismisses Coup Charges Against 13 Officers

PA1704015594 Caracas Venezolana de Television Network in Spanish 0000 GMT 17 Apr 94

[Report by Rayma Rondon from "The News" newscast]

[Text] A military court has announced the dismissal of charges against 13 officers who participated in the 27 November 1992 coup attempt.

The military officers who benefited from the decision include Carlos Alberto Lopez Borjas; Antonio Jose Rivero Gonzalez; Oscar Jesus Navas Tortolero; Mauro Hernan Araujo Oviedo; Elias Antonio Acosta Palma; Maritza Gregoria Camargo Alvarez; Carlos Alfredo Mejia Camacaro; Eduardo David Izcari Rojas; (Eduardo Legaspi Zuzua); Ramon Izmar Rangel; and Junior Lieutenants Jorge Jose Guevara Blanco, Cesar Ricardo Bastardo Sulvara, and Axel Bastidas Chavez.

The released National Armed Forces officers now have to report to their respective units.

[Madrid EFE in Spanish at 2216 GMT on 16 April transmits a related 400-word report that says 18 Air Force officers who took part in the 27 November 1992 coup attempt have been released from prison. The officers released include Lieutenant Maritza Camargo, who returned to Venezuela after being exiled in Peru. The report adds that "charges against 13 of the 18 officers were dismissed by President Rafael Caldera." These 13 officers had been exiled in Peru, where they fled after the failed coup attempt.]